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Vol. V — pp. 2595 to 3092

TRANSCRIPT OF RECORD

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1939

No. 346

THE UNITED STATES OF AMERICA, PETITIONER

vs.

SOCONY-VACUUM OIL COMPANY, INC., ET AL.

No. 347

SOCONY-VACUUM OIL COMPANY, INC., ET AL., PETITIONERS

vs.

THE UNITED STATES OF AMERICA

ON WRITS OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SEVENTH CIRCUIT

PETITIONS FOR CERTIORARI FILED AUGUST 31, 1939
CERTIORARI GRANTED OCTOBER 16, 1939

IN THE

United States Circuit Court of Appeals
For the Seventh Circuit

No. 6721

THE UNITED STATES OF AMERICA,
Plaintiff-Appellee,

vs.

SOCONY-VACUUM OIL COMPANY, INC., ET AL.,
Defendants-Appellants.

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MR. JOHN J. BOYLE.

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G 626	Price provisions of jobber contract, Dec. 1, 1934, between Socony-Vacuum Oil Company, Inc. and George C. Peterson Co.	295	3056
G 627	Price provisions of jobber contract, Dec. 30, 1935, between Socony-Vacuum Oil Company, Inc. and George C. Peterson Co.	295	3057
G 628	Price provisions of jobber contract, Aug. 1, 1934, between H. E. Miller Oil Company and Barnsdall Oil Company	305	3058
G 629	Letter, July 25, 1935, Barnsdall Refining Corporation to H. E. Miller Oil Company, and enclosure, being consent to assignment, July 30, 1935, by Barnsdall Oil Company to Barnsdall Refining Corporation...	306	3061
G 630	Price provisions of jobber contract, Nov. 15, 1934, between Tide Water Oil Company and Pike County Oil Company, Inc.	311	3062
G 631	Price provisions of jobber contract, April 13, 1935, between Socony-Vacuum Oil Company, Inc., Lubrite Division, and Wabash Oil Corporation, with rider, Aug. 11, 1936, attached	316	3064
G 632	Price provisions of jobber contract, Feb. 14, 1935, between Empire Oil & Refining Co. and Midway Oil Company	319	3066

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G 634	Price provisions of jobber contract beginning Aug. 15, 1934, between Continental Oil Company and General Oil Products Co., Inc.	321	3068
G 635	Price provisions of jobber contract, Aug. 22, 1935, between Continental Oil Co. and General Oil Products, Inc.	321	3069
G 636	Price provisions of jobber contract Aug. 25, 1936, between Continental Oil Company and General Oil Products, Inc., with rider, Sept. 16, 1936, attached	321	3071
G 637	Price provisions of jobber contract, Feb. 21, 1933, between Goodall-Crowley Oil Company and Mid-Continent Petroleum Corporation.	326	3072
G 638	Price provisions of jobber contract, July 11, 1935, between Empire Oil & Refining Co. and W. J. O'Brien.	330	3075
G 639	Price provisions of jobber contract, May 3, 1933, between Wisconsin Petroleum Co., Inc. and Mid-Continent Petroleum Corp.	335	3077
G 640	Price provisions of jobber contract, April 11, 1936, between Wisconsin Petroleum Co., Inc. and Mid-Continent Petroleum Corp.	335	3079
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G 664	Chart of prices (not reproduced—shown on Gov. Ex. 674 as Monday low quotations for third grade gasoline, Oklahoma market) (Referred to)	346	3081
G 665	Tabulation—Monday low quotations, third grade gasoline, Oklahoma market, March 4, 1935 to Dec. 21, 1936	347	3082
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G 667	Tabulation—Monday low quotations, housebrand gasoline, Oklahoma market, March 4, 1935 to Dec. 21, 1936	347	3084
G 668	Chart of prices (not reproduced—shown on Gov. Ex. 674 as Monday low quotations for housebrand gasoline, Oklahoma market) (Referred to)	348	3085
G 671	Chart of monthly average prices based on Monday average of high and low quotations, housebrand gasoline, Oklahoma market, 1934-1936	349	3089
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G 682	Weekly Letter, March 15, 1935, W. P. Jacobi to A. G. Maguire	469 907	3112
G 683	Weekly Letter, March 22, 1935, W. P. Jacobi to A. G. Maguire	469 907	3112
G 684	Weekly Letter, March 29, 1935, W. P. Jacobi to A. G. Maguire	469 907	3114

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D 735	Tabulation of East Texas spot market purchases by Tide Water Oil Company, Jan. 1, 1931 to Dec. 31, 1936, and summary	822	3218
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G 755	Letter, Sept. 4, 1935, C. M. Boggs to George B. Dickey	901	3283
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G 757–765	Forms of gasoline questionnaire sent by Clyde M. Boggs to independent refiners	901	3285
G 766	Letter Feb. 7, 1936, Derby Oil Company to C. M. Boggs	901	3286
G 767	Letter, Sept. 26, 1935, prepared by Clyde M. Boggs and sent to Derby Oil Company	901	3286
G 768	Letter, Sept. 26, 1935, prepared by Clyde M. Boggs and sent to Omar Refining Company	901	3287
G 769	Letter, Oct. 25, 1935, prepared by Clyde M. Boggs and sent to Derby Oil Company	901	3287

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G 770	Letter, Oct. 25, 1935, prepared by Clyde M. Boggs and sent to Omar Refining Company	901	3287
G 771	Letter, Oct. 25, 1935, prepared by Clyde M. Boggs and sent to Dickey Oil Company	901	3288
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G 779	Letter, Jan. 25, 1936, prepared by Clyde M. Boggs and sent to Omar Refining Company	901	3291
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G 781	Letter, March 4, 1936, prepared by Clyde M. Boggs and sent to Derby Oil Company	901	3291
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G 784	Letter, March 4, 1936, prepared by Clyde M. Boggs and sent to Dickey Oil Company	901	3292
G 785	Letter, March 28, 1936, prepared by Clyde M. Boggs and sent to Dickey Oil Company	901	3293
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G 788	Schedule, Sept. 24, 1935, of Omar Refining Company stocks, production and shipments	901	3294
G 789	Form of gasoline statistical information questionnaire sent to members of Western Petroleum Refiners' Association	901	3295
G 790–791	Form of gasoline statistical information questionnaire sent to members of Western Petroleum Refiners' Association	901	3296
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G 809	Identical with Government Exhibit 231-C, tabulation of tank cars purchased in May 1935, prepared by A. V. Bourque (Referred to)	901	3301
G 810	Identical with Government Exhibit 231-B, tabulation of tank cars purchased in April 1935, prepared by A. V. Bourque (Referred to)	901	3301
G 811	Tabulation of total cars purchased during May 1935, prepared by A. V. Bourque	901	3302
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G 818	Letter, Dec. 26, 1935, Derby Oil Company to J. C. Day	901	3313
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G 821	Stipulation of testimony of A. P. Ruether	901	3318
D 825	Executive Order, Aug. 28, 1933, appointing the Secretary of the Interior as Administrator of the Code of Fair Competition for the Petroleum Industry	945	3319
D 826	Order, Sept. 11, 1933, by Harold L. Ickes, appointing members of Petroleum Administrative Board	946	3320
D 827	Chart showing organization of petroleum industry under Code of Fair Competition	1166	3321
D 828	Letter, May 24, 1934, Amos L. Beaty, Chairman, Planning and Coordination Committee, to C. M. Boggs	949	3323

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D 829	(For identification.) Order, Oct. 16, 1933, by Harold L. Ickes, with document attached as Appendix A, fixing minimum prices for petroleum and its products	954 1838	3324
D 830	(For identification.) Order, Jan. 31, 1934, by Harold L. Ickes, revoking minimum price order of Oct. 16, 1933	955 1838	3329
D 831	(For identification.) Order, Jan. 19, 1934, by Harold L. Ickes, approving National Petroleum Agency Agreement	955	3330
D 832	(For identification.) Letter, Dec. 8, 1933, Wirt Franklin to Harold L. Ickes, attaching copies of National Agency Agreement and National Marketing Agreement	955	3332
D 833	(For identification.) Press release by Department of Interior setting forth letter, March 29, 1933, from Committee of Fifteen to the Secretary of the Interior	969	970
D 834	(For identification.) Letter, Dec. 11, 1934, Harold L. Ickes to R. G. Cocanower	990	3345
D 835	Order, April 24, 1934, by Harold L. Ickes, amending Articles IV and VII of Petroleum Code	1008	3347
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D 842	Tabulation showing voluntary refinery curtailment in March 1935 by companies in districts of each company	1035	3360
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D 844	(For identification.) Order, Nov. 2, 1934, by Harold L. Ickes, approving Program Committee plan of purchasing distress gasoline; form of contract attached	1055	3367
D 845	(For identification.) Order, June 23, 1934, by Harold L. Ickes, approving three-party plan of purchasing distress gasoline, with form of contract attached	1055	3372
D 846	(For identification.) Order, Sept. 8, 1934, by Harold L. Ickes, approving Program Committee plan of purchasing distress gasoline, with forms of purchase agreement attached	1055	3376

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D 848	(For identification.) Press release, April 6, 1934, issued by Department of Interior, setting forth proprosed amendment to Article IV (refinery section) of Code	1056	3389
D 849	(For identification.) Composite price chart for October, November and December, 1934, of third grade gasoline	1059	3397
D 850	Letter, Aug. 23, 1935, Harold L. Ickes to John E. Shatford	1073	3399
D 852	Tabulation of crude oil required by Pure Oil Company to supply gasoline sales, Nov. 1934 to Dec. 1936	1133	3400
D 853	Tabulation of gasoline acquired by Pure Oil Company, by months, Jan. 1934 to Dec. 1936	1136	3401
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D 854	Tabulation of source of gasoline supply of Pure Oil Company, 1933-1937	1137	3405
D-854-A	Chart of figures in Defendants' Exhibit 854 (source of gasoline supply of Pure Oil Company)	1137	3407
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D 864	Stipulation of testimony of Mason Lyons concerning Vickers Petroleum Company gasoline production and sales, 1934-1936, with figures attached	1146	3427
D 865	Tabulation of Root Petroleum Company gasoline production and sales, 1934-1936	1147	3429
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D 870	Block chart showing percentage of purchases by Mid-Continent Petroleum Corporation from independent refiners at and below low Oilgram quotations, Mar. 1 to May 31, 1935.	1553	3443
D 871	Block chart showing percentage of purchases by Mid-Continent Petroleum Corporation from independent refiners at and below low quotations, Chicago Journal of Commerce Group 3, Mar. 1 to May 31, 1935	1555	3447
D 872	Block chart showing percentage of cars purchased by Mid-Continent Petroleum Corporation from independent refiners above, at and below low quotations, Chicago Journal of Commerce Group 3, for 1935	1555	3451
D 873	Block chart showing percentage of cars purchased by Mid-Continent Petroleum Corporation from independent refiners above, at and below low Oilgram Oklahoma quotations for 1935.....	1555	3455

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D 874	Tabulation of number of flat price purchases by major oil companies from independent refiners, compared with price ranges for third grade gasoline, Oklahoma market, for March 1935	1558	3457
D 875	Tabulation of number of flat price purchases by major oil companies from independent refiners, compared with price ranges for third grade gasoline, Oklahoma market, for April 1935	1560	3458
D 876	Tabulation of number of flat price purchases by major oil companies from independent refiners, compared with price ranges for third grade gasoline, Oklahoma market, for May 1935	1563	3459
D 877	Tabulation of number of flat price purchases by major oil companies from independent refiners, compared with price ranges for third grade gasoline, Oklahoma market, for June 1935	1566	3460
D 878	Chart indicating comparison of inventories, production, purchases and requirements of finished gasoline of Sinclair Refining Company, 1931 to 1936	1157	3463
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D 880	Tabulation of gasoline production, Johnson Oil Refining Company, 1934-1936	1161	3466

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D 882	Tabulation of gasoline production and sales, Waggoner Refining Company, 1934-1936	1162	3468
D 883	Tabulation of flat price sales in 1935 and 1936 by Mid-Continent Petroleum Corporation to its consumers	1163	3470
D 887	Tabulation of gasoline production and sales, Cushing Refining & Gasoline Company, 1934-1936	1538	3473
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D 889	Chart of tank car prices paid in 1935 by Shell Petroleum Corporation to independent refiners, compared with Oklahoma quotations of journals	1590	3481
D 890	Chart of flat price sales by Deep Rock Oil Corporation in 1935 to jobbers and consumers, compared with Oklahoma quotations of journals	1590	3485
D 891	Identical with Government Exhibit 891	1788	
G 891	Letter, July 20, 1934, Harold L. Ickes to C. E. Arnott	1174	3487
D 892	(For identification.) Memorandum, July 31, 1934, Louis Titus to C. E. Arnott	1173	3489
D 893	Telegram, Jan. 28, 1935, I. A. O'Shaughnessy to Charles Fahy	1182	3491

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D 895	Stipulation of testimony of L. B. Simmons concerning Rock Island Refining Company gasoline production sales, 1934-1936, with monthly figures attached	1228	3493
D 896	Tabulation of Sunray Oil Company gasoline production and sales, 1934-1936	1229	3495
D 898	Tabulation of El Dorado Refining Company gasoline production and sales, 1934-1936	1230	3496
D 899	Article from Tulsa Daily World, May 28, 1935, quoting statement by Donald Richberg	1210	3497
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D 903	Check and voucher, June 18, 1935, for $322.10, Planning and Coordination Committee to R. W. McDowell	1213	3505
G 904	Article from Chicago Journal of Commerce, June 8, 1935, concerning press conference of President Roosevelt	1217	3507
D 910	Tabulation of number and amount of subnormal tank wagon and service station housebrand gasoline prices, 1934-1936	1243	3509

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D 911	Tabulation of number and amount of subnormal tank wagon and service station third grade gasoline prices, 1934-1936	1243	3510
D 912	Tabulation of number and amount of subnormal prices to dealers for housebrand gasoline, 1935-1936	1243	3511
D 913	Tabulation of number and amount of subnormal prices to dealers for third grade gasoline, 1935-1936	1243	3511
D 914	(for identification) Excerpts from Final Report of Marketing Division, Petroleum Administrative Board, issued June 1936, concerning stabilization	1281	3512
D 915	(for identification) Letter, May 18, 1935, E. B. Swanson to W. J. Brundred	1287 1735 1841	3519
D 916	(for identification) Telegram, May 14, 1935, Charles Fahy to C. E. Arnott; and telegram, May 17, 1935, C. E. Arnott to Charles Fahy	1287 1735 1841	3520
D 917	(for identification) Excerpts from Annual Report of the Secretary of the Interior, June 30, 1935 (Reference to)	1290	3522
D 917-A	Letter of transmittal, Nov. 30, 1935, of Annual Report, Harold L. Ickes to President, and excerpts from Annual Report of Secretary of Interior, June 30, 1935	1679	3522

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D 918	(for identification) Identical with Defendants' Exhibit 924 for identification (Report of Petroleum Code Survey Committee on Small Enterprises) (Reference to)	1320	3526
D 919	(for identification) Five identical letters, March 26, 1935, Harold L. Ickes to members of Petroleum Code Survey Committee on Small Enterprises	1321	3527
D 921	(for identification) Telegram, April 23, 1935, Charles Fahy to Paul C. Blazer	1321	3528
D 922	(for identification) Telegram, April 23, 1935, Paul G. Blazer to Charles Fahy	1322	3528
D 923	Press release, May 7, 1935, by Department of the Interior	1324	3529
D 924	(for identification) Press release, March 28, 1935, by Department of the Interior, concerning and attaching Report of Petroleum Code Survey Committee on Small Enterprises	1324	3530
D 925	Letter, May 9, 1935, W. J. Brundred to Charles Fahy	1355	3581
D 926	Tabulation of spot sales by Continental Oil Company to jobbers in Mid-Western area, 1935 and 1936	1369	3582
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D 928	Stipulation of testimony of M. L. Smith concerning Kanotex Refining Company gasoline production and sales, 1934-1936, with tabulation of figures attached	1370	3588
D 929	Stipulation of testimony of L. D. Hinman concerning Eason Oil Company gasoline production and sales, 1934-1936, with tabulation of figures attached	1370	3590
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D 963	Stipulation of testimony of William E. Conway concerning Shamrock Oil and Gas Company gasoline production and sales, 1934-1936, with tabulation of figures attached	1536	3682
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Exhibit No.		Rec'd in evidence at page	Reproduced at page
D 965	Stipulation of testimony of G. E. Dahlen concerning Danciger Oil and Refineries, Inc. gasoline production and sales, 1934-1936, with tabulation of figures attached.....	1536	3686
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D 972	(for identification) Letter May 7, 1935, E. B. Swanson to S. M. Vockel	1735	1349 3694
D 973	(for identification) Letter, May 17, 1935, E. B. Swanson to James J. Davis	1735 1841	1353 3695
D 974	Certified copies of orders appointing members of Petroleum Administrative Board and stating the qualifications, status, duties and powers of each member	1341	3696

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D 977	Letter, June 12, 1935, C. E. Arnott to Charles Fahy	1736	3717
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D 988	Certificate by Harold L. Ickes of appointment of Charles Fahy as chairman of Petroleum Administrative Board, together with document describing his qualifications and duties	1341	3735

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D 990	Stipulation of testimony of James D. Miller concerning Dickey Oil and Refining Company gasoline production and sales, 1934-1936, with tabulation of figures attached.....	1830	3740
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D 992	Stipulation of testimony of M. P. Appleby concerning Wilcox Oil and Gas Company gasoline production and sales, 1934-1936, with tabulation of figures attached	1830	3744
D 993	(for identification) Letter, April 30, 1935, Paul G. Blazer to Charles Fahy	1830	3746
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D 996	Telegram, Jan. 6, 1938, Harold L. Ickes to R. A. Irvine.....	1342	3750

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D 1024	Chart of flat price purchases of regular and third grade gasoline, Group 3, Oklahoma refiners, by defendant major oil companies and by jobbers and consumers, compared with 1935 journal quotations	1679	3807
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D 1026	Tabulation—summary f.o.b. Group 3 Oklahoma refinery flat price purchases by defendant companies from independent refiners and brokers of third grade and regular gasoline, compared with Platt's Oilgram quotations for Oklahoma refinery market, Jan. 1, 1935 to April 30, 1936	1663	3810
D 1027	Tabulation—operating refinery capacity, Tide Water Associated Oil Company, Gulf Refining Company, The Texas Company and Deep Rock Oil Company, as of Jan. 1, 1935 to Jan. 1, 1936	1536	3811
D 1028	Stipulation concerning gasoline sales by defendant companies in Mid-Western area, 1935 and first seven months of 1936	1536	3812
D 1029	(for identification) Certified copy, Order, June 23, 1934, by Harold L. Ickes, approving Pacific Coast Agency Agreement and Refiners' Agreement and supplemental agreements thereto	1680	3817
D 1030	(for identification) Certified copy, memorandum, March 22, 1935, Charles Fahy to Administrator of Petroleum Code	1678	3869
G 1031	Letter, Sept. 8, 1936, M. G. Peeters to Clayton W. Haswell, together with enclosure of letter, July 24, 1934, A. G. Maguire to Chairmen of State Petroleum Committees	1683	3874

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D 1038	Letter, Sept. 20, 1935, J. M. Alexander to T. R. Vaughn Oils	1864	3888
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G 1047	Stipulation concerning Exhibits 316-319	1876	3892
D 1048	Telegram, Jan. 14, 1938, R. E. Everitt to Ralph Horween	1878	3892
D 1049	Teletype, Globe Oil & Refining Company, Wichita, Kansas, to Globe Oil & Refining Company, Chicago, Illinois	1880	3892
D 1050	Letter, Oct. 4, 1935, W. H. Barber Company to Globe Oil & Refining Company, with enclosure of letter, Oct. 3, 1935, Illinois Farm Supply Company to W. H. Barber Company	1880	3893
D 1051	Letter, Oct. 7, 1935, W. H. Barber Company to Globe Oil & Refining Company	1880	3895
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G 1053	Stipulation of testimony of H. Russell Richards concerning sales of gasoline by Continental Oil Company, with Exhibit A attached	1889	3896
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4660 **EXHIBITS.***

4661 **GOVERNMENT EXHIBIT NO. 1.**

4662 One West Main Street
Madison, Wisconsin
October 3, 1937.

William P. Crawford, Esq.,
John Henry Lewin, Esq.,
Hammond E. Chaffetz, Esq.,
W. B. Watson Snyder, Esq.,
Special Assistants to the Attorney General,
Madison, Wis.

Re: U. S. *vs.* Standard Oil Company (Indiana), et al.
Indictment No. 11,365.

Dear Sirs:

We have been advised by the companies which we represent, namely, Standard Oil Company (Indiana), Socony-Vacuum Oil Company, Inc., Wadhams Oil Company, Cities Service Company, Cities Service Export Oil Company, Empire Oil and Refining Company, Louisiana Oil Refining Corporation, Continental Oil Company, The Pure Oil Company, Shell Petroleum Corporation, Sinclair Refining Company, The Texas Company, Tide Water Associated Oil Company, Mid-Continent Petroleum Corporation, Phillips Petroleum Company, Skelly Oil Company, Barnsdall Refining Corporation, The Globe Oil and Refining Company of Oklahoma, The Globe Oil & Refining Company of Illinois, The Globe Oil & Refining Company of Kansas and Deep Rock Oil Corporation, that proof need not be made of certain facts, and that they will stand admitted.

I.

We have been authorized to state with respect to the period covered by the indictment that the name of the corporation, the state of incorporation, and principal place of business are correctly alleged as to each corporation in paragraph 1, with the following exceptions:

4663 Sinclair Refining Company has its principal place of business at Portland, Maine, and has its principal business office in New York, N. Y.

* In general, documents marked for identification only are not printed unless error is assigned to their exclusion.

The Texas Company has its principal place of business at Wilmington, Delaware, and has an office and place of business in New York, New York.

Tide Water Associated Oil Company has its principal places of business in New York, New York, and San Francisco, California.

Phillips Petroleum Company has its principal place of business at Wilmington, Delaware, with its principal operating office at Bartlesville, Oklahoma.

Barnsdall Refining Corporation has its principal place of business at Wilmington, Delaware, and has an office for the transaction of business at Tulsa, Oklahoma.*

We have further been authorized to state that the name of subsidiary companies, the parent company, the state of incorporation of such subsidiary and principal place of business of such subsidiary are correctly stated in paragraph 1 with the following exceptions:

Louisiana Oil Refining Corporation was dissolved and its corporate franchises terminated by order of the Law and Equity Court of the City of Richmond, Virginia, dated January 9, 1937. While this company was in existence its parent company was not Cities Service Company, as alleged in the indictment. During that period a majority of the voting stock of Louisiana Oil Refining Corporation was owned by Arkansas Natural Gas Corporation, and a majority of the common stock of Arkansas Natural Gas Corporation was owned by Cities Service Company, but Cities Service Company did not own a majority of the preferred stock of Arkansas Natural Gas Corporation, which during the period covered by the indictment was entitled to and did elect a majority of the Board of Directors of Arkansas Natural Gas Corporation. On May 28, 1935, Louisiana Oil Refining Corporation filed a petition in reorganization proceedings under Section 77B of the National Bankruptcy Act in the United States District Court for the Western District of Louisiana and from that time until December 22, 1936, the date this indictment was filed, Louisiana Oil Refining Corporation was under the control of the said United States District Court.

4664 The true state of facts as to Cities Service Export Oil Company is as follows: On June 11, 1936, Cities Service Export Oil Company, its subsidiary, and some other companies and Crew Levick Company, a Pennsyl-

* All statements made with reference to Barnsdall Refining Corporation must be qualified by the fact that this corporation was not incorporated until April 20, 1935 and did not commence business until June 1, 1935.

vania corporation, entered into a Joint Plan and Agreement of Merger, whereby the said Crew Levick Company merged Cities Service Export Oil Company and the other companies, and Crew Levick Company became the surviving corporation. Concurrently with and as part of the merger the said surviving corporation, Crew Levick Company, assumed the name of "Cities Service Oil Company," a Pennsylvania corporation.

II.

We have further been authorized to state that the name of each individual defendant, his address, his official title or position, and the company with which he was associated during the indictment period, are correctly stated in Paragraph 4 as to those companies and individuals represented by us with the following exceptions, as to which the facts are herewith stated:

Charles L. Jones was a vice-president of Socony-Vacuum Oil Company, Inc.

R. R. Irwin was assistant manager of the White Eagle Division of Socony-Vacuum.

Bryan S. Reid was manager of the Chicago Division of Socony-Vacuum.

R. H. McElroy, Jr. of The Pure Oil Company was sales manager, wholesale marketing.

Dewey K. Chamberlain of The Pure Oil Company was purchasing and sales agent, Refinery Division, Tulsa, Oklahoma.

P. E. Lakin was sales manager of Shell Petroleum Corporation until March 1, 1936, when he became vice-president in charge of marketing.

R. D. Cottingham was assistant to the vice-president of The Texas Company.

P. C. Scullin of Houston, Texas, was vice-president and general manager of Indian Refining Company, affiliate of The Texas Company.

Edward L. Shea of Locust Valley, New York, was executive vice-president of Tide Water after December 14, 1936; having been a vice-president prior to that time.

4665 Noel Robinson was vice-president of Tide Water Associated Oil Company after December 17, 1936, having been vice-president and a director of Tide Water Oil Company, a New Jersey corporation, prior to that, until the dissolution of that company on September 4, 1936.

J. W. Warner was assistant vice-president in charge of sales for the Mid-Continent Region of the Tide Water Division of Tide Water Associated Oil Company after December 17, 1936, having been a vice-president and director of Tide Water Oil Company, an Oklahoma corporation, until its dissolution on November 12, 1936.

R. O. Audrain was an employee concerned with tank car purchases and sales of gasoline in the Mid-Continent Region of the Tide Water Division of Tide Water Associated Oil Company after November 30, 1936, having been an employee in the same capacity of Tide Water Oil Company, an Oklahoma corporation, until its dissolution on November 12, 1936.

Fred L. Koopman was an order clerk of Phillips Petroleum Company.

James Nagle was division manager of wholesale sales in Oklahoma of the Skelly Oil Company.

III.

In addition, the letter from Assistant Attorney General Jackson requested that we stipulate as to whether the companies which we represent were authorized to do business in Wisconsin, whether they did business in Wisconsin, including the Western District thereof during the indictment period, whether they are engaged in the manufacture, purchase, transportation and sale of petroleum products, and whether they did business with jobbers in the Western District of Wisconsin during the indictment period.

We are authorized to state that the facts are as follows:

Each of the defendant companies named below was authorized to do business in the State of Wisconsin, with the qualifications noted:

Barnsdall Refining Company (since June 1, 1935).
Standard Oil Company (Indiana).
Wadhams Oil Company.
Socony-Vacuum Oil Company, Inc.
4666 Continental Oil Company.
The Pure Oil Company.
Shell Petroleum Corporation.
Sinclair Refining Company.
The Texas Company.
Phillips Petroleum Company.
Skelly Oil Company.

Deep Rock Oil Corporation.

Tide Water Associated Oil Company, a Delaware corporation, has only done business in Wisconsin since December 1, 1936, having qualified on November 28, 1936.

IV.

Each of the defendant companies named below during the period covered by the indictment has done business in Wisconsin, including the Western District thereof, with the qualifications noted:

Standard Oil Company (Indiana).
Continental Oil Company.
The Pure Oil Company.
Shell Petroleum Corporation.
Sinclair Refining Company.
The Texas Company.
Phillips Petroleum Company.
Skelly Oil Company.
Wadhams Oil Company.

Tide Water Associated Oil Company, a Delaware corporation, has only done business in Wisconsin since December 1, 1936, having qualified on November 28, 1936.

Barnsdall Refining Corporation has done business in Wisconsin since June 1, 1935.

4667 Mid-Continent Petroleum Corporation, a Delaware corporation, did no business except making interstate shipments to jobbers, until January 2, 1937, when it was authorized to do business in the State of Wisconsin in accordance with the laws thereof.

The Globe Oil & Refining Company, an Illinois corporation, had employees soliciting business in Wisconsin, but all business done in Wisconsin was entirely interstate.

V.

Each of the defendant companies named below is engaged principally in the petroleum business, that is to say, in the manufacture, purchase, transportation and sale of petroleum products, with the qualifications noted:

Standard Oil Company (Indiana).
Socony-Vacuum Oil Company, Inc.
Wadhams Oil Company.
Continental Oil Company.
The Pure Oil Company.
Shell Petroleum Corporation.

Sinclair Refining Company.
The Texas Company.
Tide Water Associated Oil Company.
Mid-Continent Petroleum Corporation.
Phillips Petroleum Company.
Skelly Oil Company.
Deep Rock Oil Corporation.
Empire Oil and Refining Company.
Louisiana Oil Refining Corporation.

Cities Service Export Oil Company purchased and sold petroleum products while in existence, but did not engage in the manufacture and transportation of petroleum products.

4668 Barnsdall Refining Corporation manufactures and markets petroleum products but does not produce or transport crude oil.

The Globe Oil & Refining Company of Oklahoma, The Globe Oil & Refining Company of Illinois and The Globe Oil and Refining Company of Kansas manufacture, purchase and sell petroleum products.

VI.

Each of the companies named below, during the indictment period, sold to jobbers who did business in the Western District of Wisconsin, with the qualifications noted:

Continental Oil Company.
The Pure Oil Company.
Shell Petroleum Corporation.
Sinclair Refining Company.
The Texas Company.
Phillips Petroleum Company.
Skelly Oil Company.
Wadhams Oil Company.

Tide Water Associated Oil Company, a Delaware corporation, has only done business in Wisconsin since December 1, 1936.

Mid-Continent Petroleum Corporation, a Delaware corporation, only made interstate shipments, and was not authorized to do business in Wisconsin until January 2, 1937.

Empire Oil and Refining Company made interstate shipments to jobbers in the Western District of Wisconsin, and was not authorized to do business in Wisconsin during the period covered by the indictment.

Barnsdall Refining Corporation sold to jobbers who did business in the Western District of Wisconsin from June 1, 1935.

4669 VII.

We are also authorized to state that the following may stand as admitted:

The Journal of Commerce Publishing Company is a corporation organized and authorized to do business under the laws of the State of Delaware and has its principal place of business in Chicago, Illinois.

W. C. Platt Company is organized under the laws of the State of Ohio and has its principal place of business in Cleveland.

The National Petroleum Publishing Company is organized under the laws of the State of Ohio and has its principal place of business in Cleveland.

Warren C. Platt of Cleveland, Ohio, is President of W. C. Platt Company and President of The National Petroleum Publishing Company.

Very truly yours,
William J. Donovan.
Herbert H. Thomas.

4670 DEFENSE EXHIBIT NO. 4 FOR IDENTIFICATION.

(Letter from Waggoner Refining Company, Inc., by D. G. Gray, Manager, dated May 8, 1934, to brokers and marketers, printed at R. p. 1818.)

4670½ DEFENSE EXHIBIT NO. 6.

(Certified by the Department of the Interior to be copy of an order dated October 18, 1934, signed by Harold L. Ickes, together with 4 forms of tenders attached thereto.)

NOTE: Of the Forms 1, 2, 3 and 4 attached, only Form 1 is printed, as being typical.

4671 **ORDER.**

Pursuant to the authority of the Act of Congress known as the National Industrial Recovery Act (40 Stat. 195), and Executive Orders Numbers 6199 (July 11, 1933) and 6204 (July 14, 1933), It Is Hereby Ordered That:

I.

All terms used in this Order, which are defined in regulations now existing and issued pursuant to the authority recited in the opening paragraph of this Order, shall be interpreted in the light of such definitions unless otherwise defined herein.

II.

No person shall ship or cause to be shipped from the East Texas Field in interstate or foreign commerce any crude petroleum or any product of crude petroleum unless and until such person has obtained, in conformity with the subsequent provisions of this Order, a permit covering such shipment.

No transporting agency shall receive for transportation or transport from the East Texas Field in interstate or foreign commerce any crude petroleum or any product whatsoever of crude petroleum unless and until such transporting agency has been furnished, in conformity with the subsequent provisions of this Order a permit issued to the shipper covering such shipment.

No person shall divert or reship or cause to be diverted or reshipped in interstate or foreign commerce any crude petroleum produced in the East Texas Field or any product whatsoever of crude petroleum which was processed or refined in said East Texas Field the shipment of
4672 which crude petroleum or product shall not have been covered by a permit, unless and until such person has obtained a permit so to divert or reship.

No transporting agency shall receive for transportation in interstate of foreign commerce any shipment of crude petroleum or any product whatsoever of crude petroleum diverted or reshipped in interstate or foreign commerce where such crude petroleum was produced in the East Texas Field or such product was processed or refined in the East Texas Field, the shipment of which crude petroleum or product shall not have been covered by a permit, without

having been furnished a permit so to divert or reship issued to cover such diversion or reshipment.

Permits herein referred to shall be for convenience designated as approved tenders.

III.

There is hereby created a Board to be known as the "Federal Tender Board," hereinafter designated as the "Board," which shall consist of one or more persons, not exceeding three, who shall be appointed from time to time by the Secretary of the Interior, and who shall serve at his pleasure. It shall be the duty of the Board to hold public hearings, hear testimony and receive evidence, investigate and supervise the investigation of tenders as required under this Order and approve or reject said tenders. Said public hearings shall be held at reasonable times at Kilgore, Texas, or at such other place or places as the Board from time to time may designate. Whenever said Board consists of more than one person, the Board may designate one or more of its members to act for the Board and in the absence of such designation the Board shall act by a majority vote.

Said Board is charged with the duty of hearing and investigating all applications for tenders prescribed by this Order and of approving or rejecting same and no such
4673 tender shall be approved until application for approval has been presented on tender form approved by the Secretary of the Interior and satisfactory evidence presented in support of such application showing the applicant's right to receive approval of said tender.

No person shall have the right to receive approval of any such tender until he has presented to the Board proof establishing to the satisfaction of the Board the fact that the crude petroleum covered by the tender has not been, or, in case of a forecast tender as herein provided for, will not be, produced or withdrawn from storage in excess of the amount permitted to be produced or withdrawn from storage by the laws of the State of Texas or the regulations or orders prescribed thereunder by the Railroad Commission of Texas; and in case such tender covers the products of crude petroleum, then such proof must show that the products were derived wholly from crude petroleum which was not produced or withdrawn from storage in excess of the amount permitted to be produced or withdrawn from storage by the laws of the State of Texas or the reg-

ulations or orders prescribed thereunder by the Railroad Commission of Texas.

As a condition to approval of a tender the Board shall have the right to require the production of books and records and such evidence bearing upon the matters necessary for it to inquire into, in order intelligently to pass upon such application. The Board may hear the testimony of witnesses and have affirmation or oaths administered by any officer authorized by the laws of the United States or the laws of the State of Texas, to administer same, and to require that the testimony of such witnesses be given under affirmation or oath. Any person shall have the right to appear at said hearings and offer any pertinent evidence in support of or in opposition to the application for approval of the tender.

4674

IV.

The Board is authorized to make rules governing the procedure to be followed in its hearings, and one of said rules shall provide for notice of not less than twenty-four hours before the hearing of all applications for approval of tenders which are to be considered; said notice shall be given by posting a brief description of application for approval of tender on a bulletin board at or conveniently near the place of such hearing.

V.

There the application for approval of tender states the ultimate destination for the movement of the commodity covered by the tender is unknown, then such application shall come within the authority of the Board and the commodity shall not be moved unless the tender is approved.

VI.

Where application is made for approval of a tender covering crude petroleum commingled with crude petroleum which was produced or withdrawn from storage in excess of the amount permitted to be produced or withdrawn from storage by the laws of the State of Texas or the orders or regulations of the Railroad Commission of Texas, such tender shall not be approved, nor shall a tender covering products of such commingled crude petroleum be approved:

and where application is made for approval of a tender covering a petroleum product commingled with a petroleum product processed from crude petroleum produced or withdrawn from storage, or commingled with crude petroleum produced or withdrawn from storage, in excess of the amount permitted to be produced or withdrawn from storage by the laws of the State of Texas, or the orders or regulations of the Railroad Commission of Texas, such tender shall not be approved.

4675

VII.

The first transporting agency handling a shipment in interstate or foreign commerce which agency is required under these regulations to receive an approved tender before accepting the shipment is hereby designated as the initial carrier. The initial carrier shall stamp on the shipping papers the following: "This shipment is covered by tender No. ..... issued by the Federal Tender Board on the ..... day of ..... 193....." (The number and date shall be filled in to identify tender). The initial carrier shall not receive any more of the commodity in the shipment than is covered by the tender and shall not receive any different commodity than described in the tender. Each connecting carrier may rely on the stamp showing the description of the tender and will not be required to procure an additional tender before accepting or in handling the shipment, but shall not receive any more of the commodity in the shipment than is covered by the shipping papers and shall not receive any different commodity than described in the shipping paper.

VIII.

The transporting agency handling a shipment under a tender shall endorse on the back of such tender, using the copies designated "Tender Original" and "Tender Return" for this purpose, the amount of deliveries and the date of such deliveries made to such transporting agency and state the classification of the commodity delivered according to I. C. C. classification, using the form of endorsement as shown on the back of the forms approved by this Order, and shall deliver in person or mail said "tender return" to the Federal Tender Board at Kilgore, Texas,

said delivery, or deposit in the United States mails, to be not later than five days after the date of the last delivery made in fulfilling said tender, Said endorsement shall
4676 be signed and sworn to by a duly authorized agent of the transporting agency. This return is for the purpose of enabling the Tender Board to check actual deliveries and the unused portion of any tender.

IX.

Every transporting agency transporting petroleum or petroleum products produced or refined or processed in the East Texas Field from said Field to a destination within the State of Texas shall stamp on the shipping papers a notation that the petroleum was produced or the petroleum product was refined or processed within the East Texas Field and that said petroleum or products may not be shipped or transported in interstate commerce unless a Federal tender shall first be approved. This notation shall appear on the shipping papers covering every subsequent shipment of said petroleum or petroleum products within Texas.

X.

In making application for approved tenders provided for herein forms numbered as follows shall be used:

Form No. 1 to cover the transportation in interstate or foreign commerce of crude petroleum from the storage tanks on the lease of origin in the East Texas Field.

Form No. 2 to cover the transportation in interstate or foreign commerce of crude petroleum forecast to be produced from any lease in the East Texas field during the calendar month in which said application for approved tenders is presented. Shipments of crude petroleum made under Form No. 2 need not be covered by Form No. 1. Any crude petroleum covered by approved tender but not produced prior to seven a. m. of the first day of the calendar month succeeding that in which application for approval of such tender was made and not transported prior to
4677 seven a. m. of the fifth day of the said succeeding calendar month, shall not be shipped unless covered by approved tender Form No. 1.

Form No. 3 to cover the transportation of crude petroleum produced from any lease in the East Texas Field

which is moved from any storage or facility in the East Texas Field other than the original lease where said crude petroleum was produced.

Form No. 4 to cover the transportation in such commerce in or from the East Texas Field of any product whatsoever of crude petroleum refiner or processed in the East Texas Field.

The above mentioned four Forms including the reverse sides thereof, copies of which are annexed hereto, marked Exhibits 1, 2, 3 and 4 respectively, are hereby adopted and applications for approved tenders in the respective situations to which said forms are applicable and returns by the transporting agencies shall be made on said forms in accordance with the provisions of this Order and the instructions appearing on said forms, said instructions and forms are made a part of this Order as though fully set forth herein.

XI.

The term "East Texas Field" as used herein is defined to embrace the counties of Gregg, Upshur, Smith, Rusk and that part of Cherokee County covered by the Miguel Delos Santos Coy, A. S. Pratt and Wesley Dikes surveys, in the State of Texas.

XII.

The use of Forms O. E. S. 1 and 2 approved by me on July 20, 1934, and the use of Form O. E. S. 6 (Amended), approved by me on September 5, 1934, is hereby suspended insofar as shipments made from the East Texas Field subsequent to the effective date of this order are concerned. Any prior regulation in conflict herewith is suspended to the extent of such conflict insofar as transactions occurring subsequent to the effective date of this Order are con-
4678 cerned, it not being intended to relieve any person from the pains and penalties or prosecution for violation prior to the effective date hereof of any regulation or portion thereof hereby suspended.

XIII.

If any section, portion, clause, or part of this Order be held invalid, the same shall not effect any other section, portion, clause or part hereof.

XIV.

This Order shall be effective at the expiration of the fifth day after the signing hereof.

Approved and promulgated this 18th day of October, 1934.

Harold L. Ickes,
Secretary of the Interior.

4679 Tender for Crude Petroleum Form No. 1.

United States
Department of the Interior
Federal Tender Board

Instructions: This application for approved tender is to be used where crude petroleum in storage on lease of origin in the East Texas Field is to be delivered to any pipe line company, railroad company, truck line company, truck owner or other transporting agency for transportation in interstate or foreign commerce and such crude petroleum is not covered by a forecast approved tender Form No. 2. This form of application is to be made out in quadruplicate by the producer or operator of the lease or leases from which said crude petroleum was produced, or his or its duly authorized agent and the shipper or his or its duly authorized agent. The original, so marked, and printed on white paper, when approved and signed by the Federal Tender Board, becomes an approved tender and it with the "Tender Return" copy must be filed with the transporting agency before said Agency may receive for transportation or transport the crude petroleum covered by this application for approved tender; after the original has been approved and signed by said Board, the duplicate, so marked and printed on yellow paper, shall be retained by said Board; the triplicate, so marked and printed on pink paper, shall be retained by the shipper; and the quadruplicate, which is marked "Tender Return" and printed on green paper, shall be delivered with the original to the transporting agency for his use in making the endorsement and return required. The original, so endorsed, is to be retained by the transporting agency as a permanent record.

(The form set forth below must be completely filled out, and instructions followed, otherwise tender will be rejected).

Part One: To be filled out by Producer or Operator of Lease:

To..... } Pipe Line Company, Railroad Company, Truck Line Company, Truck Owner, or other transporting agency. (Cross out all not applying.)

Principal Place of Business of Transporting Agency:....

.....

Local Post Office Address of Transporting Agency:.....

.....

.....	.....	.....
Producer or Operator of Lease	Principal Business Address of Producer or Operator	Local P. O. Add. of Producer or Operator

..... Hereby Tenders ..... Barrels of crude

Field Office Address of Producer or Operator

Petroleum to be delivered to:

.....	.....	.....
Name of Consignee	Principal Place of Business of Consignee	Local P. O. Address of Consignee

4680 at .....

(Destination to which the crude petroleum is to be shipped and facility into which to be delivered if known. If unknown, so state.)

Of .....; which address is ..... mentioned crude Petroleum is now in storage in Tanks Numbers .....; located on ..... act or lease.

Said Crude Petroleum was produced from the lease and on the dates set forth below, to-wit:

Farm or Lease	Survey	Acres	No. Wells on Lease	Lease Allowable	Dates Oil Produced	No. Bbls. to be Delivered
.....						
.....						
				Total Bbls.		

No portion of the above mentioned Crude Petroleum was produced in excess of the allowable fixed for the above wells by the Railroad Commission of Texas.

During the month in which said Crude Petroleum was

produced, state whether crude petroleum was produced from said wells in excess of the allowable therefor fixed by the Railroad Commission of Texas, and if so state the amount in barrels:.....None

or

.....Barrels.

Signature ..... Producer
or Operator

By & .....
(His or its only authorized agent)

Instructions: Signature to this application for approved tender and affidavit shown in form below must be made only by the producer or operator of the lease or leases from which said crude petroleum was produced, or by his or its duly authorized agent, such authorization being in writing and acknowledged before a Notary Public. The original or duplicate original of such authorization must be on file with the Federal Tender Board prior to the hearing on the application for approval tender.

Affidavit.

State of Texas }
County of ..... }

I, ..., the person whose signature appears above, after first being duly sworn, on my oath state that I affixed the foregoing signature and that I am the person authorized to make this application for approved tender; that I have personal knowledge of all the facts stated in this application and said facts so stated herein, are within my knowledge true and correct.

Signature.....
..... 193.....

4681 Subscribed And Sworn To Before Me, the undersigned authority, by ....., this the .... day of ..... A. D. 193.....

.....
Notary Public in and for .....
County, Texas.

Part Two: To be filled out by Shipper, if shipper is not the Producer or Operator of Lease.

Name of Consignee	Principal Place of Business of Consignee	P. O. Address of Consignee
.....	.....	.....

At .....

(Destination to which the crude petroleum is to be shipped and facility into which to be delivered, if known, and, if unknown, so state.)

For Account of ..... whose address is .....

Signature .....

By .....

(His or its duly authorized agent.)

Instructions: Signature to this Part Two of Application and affidavit shown in form below must be made only by the Shipper, or his or its duly authorized agent, such authorization being in writing and acknowledged before a Notary Public; the original or duplicate original of such authorization must be on file with the Federal Tender Board prior to the hearing on this application.

Affidavit.

State of Texas }
County of ..... }

I, ..., the person whose signature appears above, after first being duly sworn, on my oath state that I affixed the foregoing signature and that I am the person authorized to make this application for approved tender; that I have personal knowledge of all the facts stated in this application and said facts so stated are within my knowledge true and correct.

Signature .....

....., 193.....

Subscribed And Sworn To Before Me, the undersigned authority.

by ....., this the .... day of ....., 193....

.....

Notary Public in and for ..... County, Texas.

Serial Number .....

Date: .....

Approved or Rejected: .....

Federal Tender Board

By .....

4682 DEFENSE EXHIBIT NO. 7.

(Certified by the Department of the Interior to be co y of document on file in that Department.)

ORDER

Pursuant to the Order of October 18, 1934, authorized by the Act of Congress known as the National Industrial Recovery Act (48 Stat. 195), and Executive Orders Numbers 6199 (July 11, 1933) and 6204 (July 14, 1933), It Is Hereby Ordered That:

Norman L. Meyers shall be appointed Chairman of the Federal Tender Board provided for in the said Order of October 18, 1934, and that Ralph Horween and J. Howard Marshall shall serve as members of the said Board and that M. S. McCorquodale shall serve as legal adviser to said Board; the aforesaid Chairman, members of said Board, and legal adviser to continue in office until an order establishing a permanent Board shall be issued.

Approved and promulgated this 22nd day of October, 1934.

T. A. Walters,
Acting Secretary of the Interior.

4683 GOVERNMENT EXHIBIT NO. 11.

Letterhead of Cities Service Export Oil Company, Tulsa.

January 12, 1935.

Mr. H. E. Brandli,
New York Office.

In St. Louis, during the coming week, will meet the Committee of Mid Continent and Indiana territory Refiners appointed by Mr. Arnott to keep in touch with the tank car gasoline situation. In this group are Messrs. McDowell of Mid Continent, Van Eeghen of Shell, Ashton of Lubrite, Tuttle substituting for Mr. Miskell of Empire, Bullock of Indiana, and Karstedt of Continental. Mr. McDowell is Chairman.

A survey made during the past week showed that to strengthen the tank car market over the balance of January approximately 400 cars of third and middle grade gasolene should be accumulated from North and Central Texas, and the Panhandle, Oklahoma, and Kansas. No effort was made to accurately survey the East Texas situation, nor will that

field be brought into any active participation in a purchase movement until after the report on the injunction hearings involving refiners in that area.

Phillips purchased on Friday a reported total of 145 cars of gasoline in North Texas, Oklahoma and Kansas. Sinclair purchased 35 cars in North Texas and the Panhandle. Additional purchases will be made Monday by Phillips, and it is anticipated that at that time Barnsdall, Pure, Mid-Continent, Empire, Wadhams and Lubrite of the Socony interests, and Skelly will purchase additional gasolene, Continental, Shell, and Indiana express a desire to wait a few days before making purchase commitments.

It is the intention of the group to remove, if possible, all 65 plus or "Q" grade gasolene which might become distress material during the balance of the month. Some third grade gasolene will likewise be purchased, but it is hoped that strengthening the middle grade may result in bringing it up, without heavy purchasing, the third grade market.

Neil Buckley.

4684 GOVERNMENT EXHIBIT NO. 12.

Telegram from Neil Buckley to H. E. Brandli dated January 16, 1935, printed in full at R. p. 561.

4685 GOVERNMENT EXHIBIT NO. 13.

Letterhead of Cities Service Export Oil Company, Tulsa.

January 26, 1935.

Mr. H. E. Brandli,
New York Office

The purchases of East Texas gasolene which John Bradshaw made for the East Texas Refining Company total between 195,000 and 200,000 barrels. The principal accumulations were 75,000 barrels of 400 endpoint straight run, and 45,000 barrels of cracked gasolene under 400 endpoint, octane approximately 63, from McMurray; 60,000 barrels of 400 endpoint straight run from Primose Petroleum; 9,500 barrels of 400 endpoint straight run from Oil Refineries. Scattering cars from Linzie, Culver, Lone Star, and other smaller plants. Price paid for this gasolene was 3⅛¢ per gallon, f. o. b. Refinery. All the material is moving under Federal Court injunction to Texas City, Texas.

Over 400 cars had been moved, including the forwarding of Saturday morning.

In addition to this purchasing in East Texas, between 110 and 125 cars of Motor were sold to Marketers for movement into the Southeast and to Indiana territory. The price on this material ranged from 3⅛¢ Refinery to 3⅛¢ Group Three. The principal sellers were Culver, Linzie, and Archer Refining Companies, all of whom held Federal Court injunctions prohibiting the Railroad Commission interfering with their business.

The next largest stock of gasolene in the field was held by Southport representing the gasolene which we purchased. The only other stocks of greater than 10,000 barrels are those of Gilliland, Arrow, Utah, and Ocean. These inventories ranged from 9,000 to 18,000 barrels, and these refiners are handling their material for prices ranging from 3¼¢ to 3½¢ Refinery.

McMurray is at present endeavoring to secure an injunction which will allow him to move gasolene to be manufactured from a crude oil inventory reported to be between 300,000 and 350,000 barrels. The statement is credited to him that if he secured such a tender he would have an additional 100,000 barrels of gasolene available for the market within the next two or three weeks. Other large crude stocks which may be cleared if McMurray is successful are listed hereunder. The figures, taken from data and estimates prepared by East Texas Field Scouts, cannot be authenticated.

4686

Beacon	36,000 barrels
East Texas Refg.	81,000 barrels
Gilliland	110,000 barrels
Lake	43,000 barrels
McMurray (Arp)	140,000 barrels
" (Tyler)	165,000 barrels
Ozozo	124,000 barrels
Panama	125,000 barrels
Union	170,000 barrels
Utah	42,000 barrels.

The knowledge that Bradshaw has accumulated a large percentage of the East Texas gasolene stocks which were overhanging the market may prove stimulating to the domestic tank car market price. However, at a time when demand is at a very low ebb, the dumping of a hundred or more cars of gasolene at 3⅛¢ to 3¼¢ Group Three will undoubtedly make difficult the operation of the uplift buyers for the next two or three weeks. A large quantity of the

gasolene involved has been moved to St. Louis, Kansas City, and other terminals on shippers order to be doled out by brokers as they may find buyers. Further reaction of the market will await the success or failure of the present East Texas to clear products made from frozen crude stocks. Pending that decision, the domestic tank car market for third grade gasolene must be regarded as at a 3¼¢ to 3⅜¢ level.

The decline in the motor price has not yet had any effect on Natural Gasolene price. Shippers frankly admit lack of any new business, but claim no difficulty in holding present levels well into February. After the middle of the month further fluctuations in price will depend upon the extent of cargo buying as heavy demand for domestic shipment will begin to taper off.

Continental's decision to sell a cargo of kerosene through Dale Moore to Bradshaw and Eastern States surprised everyone here. They had refused to admit the accumulations of stocks and any interest in making sales to other refiners who needed supplies. The price of this cargo is variously reported as from 3⅜¢ Ponca City to 4⅞¢ at the boat. We are inclined to the belief that the latter price is more nearly correct as the material is moving to the Continental terminal at Texas City, which will give the shipper the benefit of a higher net back, and the purchaser a lower cost than would have been the case if the cargo has moved through Norsworthy or any other terminal, on a ⅛¢ per gallon charge. While definite information cannot be obtained from Continental, it is believed that they have an additional 35,000 to 50,000 barrels of kerosene in
4687 stock, but they have shown no inclination or willingness to make a sale. Possibly they might be interested in a firm offer.

Very truly,
Neil Buckley.

4688 GOVERNMENT EXHIBIT NO. 14.

Letterhead of Cities Service Export Oil Company, Tulsa.

January 30, 1935.

Mr. H. E. Brandli,
New York Office

Several of the larger East Texas Refiners, commonly identified here as being the Fisher Group, who are nominating themselves for classification in the 'survival of the

fittest' are endeavoring to reopen the subject of a Central Sales Agency for East Texas. You will recall that Mr. Bennett had an idea along this line last spring.

A meeting was held in Judge Starns quarters on the evening of January 29 to develop the subject, obtain the ideas of potential members in such an association, and if possible make preliminary plans for a corporation. Potential members are Arrow, Oil Refineries, The Wrather Interests, Southport Petroleum, Panama Refining, Union Refining, Danciger, East Texas Refining, Texas Oil Products, Gilliland, Long Star, McMurray, and two or three others. All of these people are not, however, represented by Judge Fisher.

Jules Constantine of the Solarine Refining Company has been pushing himself rather strongly for the Management of such an organization. His principal rival is Louis Green of Ft. Worth. Neither of them can secure cooperation from any large part of the proposed membership.

It is the idea of this group, if an organization can be perfected, to endeavor to offer their products through the P&C Committee to Major Oil Companies. It is hoped that under such a method cooperation could be extended for the curtailment of runs during periods of slow demand and for elimination of dumping into the domestic market with resultant price slashing.

While such an organization might accomplish much good, we doubt very much the ability of the sponsors in securing sufficient cooperation to warrant the successful functioning, for the present at least, of such a proposal. Entirely too much suspicion of the motivies of neighbors exists today in East Texas. Furthermore, several refiners have advised us that under no conditions would they turn their output over to such an organization for disposal.

4689 As further details on this question may be available, will advise you.

Very truly,

Neil Buckley.

P. S.

Learned today that some of the members of the proposed organization discussed among themselves the possibility of obtaining cooperation from some of the Major Companies and furnishing an experienced man to operate the proposed agency for a period of six months or more. Their idea was to borrow the services of such an individual. We were asked whether we would consent to consider such a task were it offered to us, and replied that any overture along this line would have to be made to the Officials of the com-

pany. You will recall that Mr. Bennett had such an idea last May or June.

NB

4690 GOVERNMENT EXHIBIT NO. 15.

Letterhead of Cities Service Export Oil Company, Tulsa.

February 2, 1935.

Mr. H. E. Brandli,
New York Office

Under present plans will be in East Texas on Monday. The group of the larger Refiners who are proposing a Central Marketing Agency expect to have a meeting either Monday evening or Tuesday.

Will communicate with you by telegraph sometime during Monday, advising you a telegraphic address for Tuesday morning.

Because of the uncertainty of the outcome of the legal entanglement which now surrounds the East Texas plants, it is not possible at this time to pass along any comment on the proposed venture. Will let you have complete information just as early in the week as any news is available.

Very truly,
Neil Buckley.

4691 GOVERNMENT EXHIBIT NO. 16.

Letterhead of Cities Service Export Oil Company, Tulsa.

Mr. H. E. Brandli, February 2, 1935.
New York Office

Regardless of the claimed sincerity of a group of 15 to 20 of the generally regarded more responsible Refiners in the East Texas field in attempting to form an organization which will work toward stabilization of the refined oil markets, Saturday morning's outlook was not encouraging for early success or even encouragement. It is true that with the sale of practically all injunction gasolene in the field and the moving of a major portion of this inventory, the East Texas gasolene market is today stronger than that of any other area in the Mid Continent field. But continued legal snarls involving the release of other products, principally claimed topped crude and acknowledged crude oil, makes an estimate of probabilities impossible.

Although there is no known record of the Tyreco Re-

fining Company having filed an inventory for 110,000 barrels of claimed fuel oil on hand December 10, Federal Judge Bryant on February 1 accepted the evidence of Tyreco in granting them an injunction to move this product without a State tender. The same Judge took under advisement, pending the presentation of further evidence, the application of the Linzie Refining Company for the movement of more than 200,000 barrels of claimed topped crude. In so far as known, no inventory record for this oil—as of December 10—was filed with the Railroad Commission. Furthermore Captain Stanley testified that in his opinion the material was crude oil.

There appears to be a growing racket on the part of lawyers to build up evidence that various quantities of crude held by producers in the field was above ground on December 10. The quantity of crude which might be claimed legal under such a plea is, of course, unknown and unquestionably beyond estimate. If the Refiners who are known to have crude oil on hand that was in inventory on December 10 succeed in obtaining clearance for such oil, they will be joined by producers demanding similar clearance. Thus, regardless of the attitude of Federal Judge Bryant in apparently leaning backwards in his effort to prevent the release of such oil, the weakness of the State's position in not having acceptable inventory records presents a discouraging if not deplorable outlook.

4692 Some indication of the trend toward the releasing of all stored products in the field may be apparent the early part of the coming week. If it is ruled and the ruling is sustained by higher Courts that only refinery inventories, whether they be crude oil or light oil products, can be shipped, then there seems warranted the hope that within a comparatively short time the East Texas Refinery situation can be put in order, and through marketing cooperation a firmer market established. On the other hand, if all crude oil stocks in the field are released no real improvement can be anticipated for a period of from 60 to 90 days.

East Texas gasolene today claims a low of 3¼¢ either Group or Refinery on motor. Only stray cars of monoplane are available at 3¼¢ Refinery, practically all shippers demanding, and apparently obtaining, 3⅜¢. Kerosene is tightly held in the field at 3½¢. Distillate has softened off to a price of 2⅞¢ to 3¢. Tendered fuel oil holds from 50¢ to 55¢, while injunction fuel is being moved at around a 40¢ level.

In the balance of the Mid Continent field the picture is

somewhat different. Two or three Refiners, Champlin is mentioned as one of them, have been offering motor gasolene at 3¼¢ for resale and 3¼¢ to the trade. Kerosene shows evidence of softening, with small lots for resale being purchased at 3⅜¢. Several of the larger Refiners have released furnace oil stocks, a factor which has caused price of distillate and zero gas oil to weaken in East Texas. Fuel oil position of Mid Continent shippers has improved with the acceptance by the Railroads of contracts for providing for a base price of 65¢, or 5¢ higher than obtained in recent years. A minimum of 50¢, a maximum of 85¢ will prevail to cover fluctuations in the price of crude oil.

The Natural Gasoline market has held firmly, and there are indications that the present levels will be maintained until the 10th or the 15th, of the month. The market position after that date will be regulated by many factors, two of them important to the market. The first, the demand for cargo shipment—there are no known inquiries at present. The second, and of equal importance, the inclination on the part of Phillips Petroleum Company to discontinue the sale of pipe line supplies to associates in the Great Lakes Pipe Line. A continuance and growth of such policy would place several large refiners in the in the open
4693 market. Last, and a lesser factor, for the time being at least, is the decision to be made by many companies on the marketing of a more voluable motor gasolene. This trend, if the leadership of a few companies is followed next fall by the majority, will provide a stronger Natural Gasoline market beginning in late summer.

Very truly,
Neil Buckley.

4694 GOVERNMENT EXHIBIT NO. 17.

Henry L. Doherty & Company
Received Telegram

New York, N. Y.
March 14, 1935

H. D. Fruesuff

The question of surplus gasoline which has been under consideration must be finalized tomorrow urge you be present meeting at Waldorf Hotel Friday March fifteenth ten o'clock Basildon Room telegraph reply.

C. E. Arnott

(Handwritten Initials):
"H. D. F." "P."

4695 **GOVERNMENT EXHIBIT NO. 18.**

Letterhead of Cities Service Export Oil Company, Tulsa.

April 8, 1935.

Mr. H. E. Brandli
New York Office

The subject matter of your personal letter of April 5 had previously been discussed with Mr. Arnott in Excelsior Springs. Advised him that the work, which had been purely voluntary, had taken practically all of my time for the past 60 days, and while the company was not selfish in the matter, having plain evidence of the vast amount of good which had been accomplished, important duties had necessarily been neglected.

A week ago advised the East Texas Refiners of the hope that the entire question of marketing could be adjusted at an early date and their problem be taken over by themselves. They in turn requested that the effort continue until the method of purchasing had been placed upon a more orderly basis.

Efforts will be made during the present week and next week by Mr. Arnott to convince at least two and possibly three buyers of East Texas gasoline, who have up to this time been operating on a hand to mouth basis, of the urgency of establishing a method of buying which will eliminate the present day-to-day concern over the appearance of new orders. It was suggested that a meeting be held with Mr. Arnott and others who would be in Atlanta on Wednesday. However, the results to be obtained from a conference at that point were doubtful, and it is possible that a meeting will be arranged at New York during the week of April 15.

Had hoped to be able to relinquish the work entirely not later than the middle of April. However, it now appears that it will be difficult to divorce myself entirely from the contact before the end of April. Unfortunately was placed in the position of having to promise Mr. Arnott that no severance would be made until he had an opportunity of further discussing the subject. However, if such an arrangement is not in sight shortly after the middle of the month, will write him of my necessary retirement and suggest the name now in mind as my successor in the work.

Neil Buckley

4696 GOVERNMENT EXHIBIT NO. 19.

Letterhead of Cities Service Export Oil Company, Tulsa.

April 20, 1935

Mr. H. E. Brandli
New York Office

On April 17 practically every hot oil plant in East Texas shut down. There has been considerable rejoicing over this fact throughout the Mid Continent field, but those closely in touch with the situation are somewhat skeptical as to the duration of the present improved conditions.

One hot oil refiner, who had continued operations and violation of Court orders, was sentenced to jail for contempt. Such action frightened many operators into closing down immediately. Others were approached by Railroad Commission deputies and received orders to shut down. The Commission had obtained injunctions against not only the operators but against the refining properties and receivership threats would accompany the serving of the injunctions. There was also the added caution "Our Governor is in Washington fighting Federal legislation. It is about time the Oil Industry of Texas showed some spirit of cooperation with the Governor in his effort." It is this latter statement that causes many on lookers to raise both eyebrows.

The truck bill, which was passed by the Texas lower house, struck a snag in the Senate. It was found that the bill, as written, was not only confiscatory but penalized only the driver of the vehicle. The bill has been rewritten, is back in committee, and provides for severe penalties for the refiner, truck owner, driver, and buying agent who handles oil loaded in a truck without a State manifesto issued against tendered gasoline.

If the truck bill as rewritten can be passed as an emergency measure by both houses in Austin and signed by the Governor prior to the reopening of the hot oil plants which are shutdown, Texas retail markets will show further improvement.

The dock price for truck loading advanced on February 18 to a low of 4¢ per gallon. On the 19th Magnolia advanced the retail price of third grade 1¢ throughout the Dallas-Ft. Worth metropolitan area. The dock price
4697 was immediately advanced to a low of 4½¢. There is no question but what the retail price would be advanced an additional ½¢ provided the dock price was

raised to 4¾¢. But inasmuch as it is extremely doubtful whether the tank car price will move above 4¼¢ East Texas refinery during the coming week, a spread of ½¢ between tank car and truck price is regarded as too wide under present conditions.

Furthermore the line between profit and loss on running dollar East Texas crude through a skimming plant is at present between 4½¢-4⅝¢ per gallon. Therefore a return which will show any considerable amount of profit to a refiner will increase crude runs to an extent where the handling of surplus gasoline will be difficult. It is questionable, therefore, whether a dock price of 4¾¢ to 5¢ will prevail in East Texas much before April 27 to 29th, at which time the tank car market will, if demand continues, probably move up to 4⅜¢ to 4½¢ f. o. b. Refinery.

Neil Buckley.

4698 GOVERNMENT EXHIBIT NO. 20.

Letterhead of Cities Service Export Oil Company, Tulsa.

April 27, 1935

Mr. H. E. Brandli
New York Office.

The tank car market in East Texas closes the week in the healthiest condition in the history of refining in that area. With the exception of Burford, whose status—as related to the other plants in the field—has not been definitely decided upon, every Independent in the field operating on tendered oil has orders ahead for his gasoline manufacture into the early part of the coming week. Inasmuch as orders are usually placed on Monday for shipment during that week, the plant coverage will undoubtedly be extended for another week or ten days beyond April 29.

The price on either motor or 400 endpoint gasoline is firm at 4⅜¢ refinery for either resale to marketers or sale to refiners. During the past 48 hours Oklahoma and Northern brokers have been unsuccessful in obtaining more than one to three car lots at 4½¢ Group.

Kerosene is scarce at the refinery at 3¼¢. The majority are asking and obtaining for Southeastern movement 3⅜¢. Prices ranging from 2⅝¢ to 3¢ f. o. b. refinery prevail on distillate, the high price covering all under 600 endpoint prime white. UGI gas oil is low at 2⅜¢ with the manufacture available for shipment limited at the

present time to approximately 2000 barrels daily. Railroads are now paying 60¢ for heavy fuel and refiners are obtaining from 62½¢ to 65¢ for sales made direct to the trade.

On the basis of these figures all of the modern cracking and semi-cracking plants are making a few cents per barrel, above crude cost. An additional ⅛¢ gallon advance in gasoline will give them a definite margin of profit. The few skimming plants which operate are not yet making money, but will cross the line from red to black when low octane gasoline reaches a level of 4⅝¢ refinery.

The fact that East Texas gasoline can no longer move to the Gulf Coast at a price competitive with the cargo market has assisted the Gulf Coast refiners in clearing up their situation. Cargo purchases of the past week have removed the gasoline that might have become
4699 distress. You are undoubtedly acquainted with the fact that Eastern States sold a cargo and that Crown and the American Petroleum—Suburban Corporation—sold part cargoes. Chalmette sold a cargo for Canadian shipment. Burford loaded the Phoenix, presumably for Hart, a week ago, which relieved the position of that combination.

It would seem certain that an additional ½¢ advance in the New York tank car market will, unless California breaks loose, bring an advance in Gulf Coast cargo quotations for coastwise movement.

Whether this more or less ideal market situation will continue is a question, but reports coming to us from the East indicate that those companies who have benefited by the strengthening of the markets are well satisfied with their purchasing ventures and will continue their interest in the problem. The next week or two, with further advances in tank car markets, should show definitely what the attitude will be over the coming months. There may be a slackening of interest, but if break-even refinery prices can be maintained through May, believe the crude reduction propaganda of 60 days ago will have reversed itself to the point where agitation for a crude advance will be pronounced.

Neil Buckley

4700 GOVERNMENT EXHIBIT NO. 21.

Letterhead of Cities Service Export Oil Company,
New York, N. Y.

Tulsa, Oklahoma
May 17, 1935

Mr. H. E. Brandli,
New York Office.

Advised Mr. C. E. Arnott on the occasion of his visit here on May 16 of the necessity of discontinuing the work which has been carried on with the East Texas Refiners. Relief was requested not later than the end of May.

He stated he would advise, if possible during the coming week, whether he wished a final report to be made in person in New York prior to actual relinquishment of the present assignment.

Neil Buckley

4701 GOVERNMENT EXHIBIT NO. 22.

Letterhead of Cities Service Export Oil Company,
New York, N. Y.

Tulsa, Oklahoma
May 17, 1935

Personal

Mr. H. E. Brandli,
New York Office.

For your confidential information, it is reported that approximately 400,000 barrels of gasoline has been purchased in East Texas by Major refiner purchasers during the period in which the East Texas Refiners Marketing Association has been in operation. The accumulation of this quantity of material, which otherwise would have been distress gasoline, is in a considerable measure responsible for the difference between the price of 3⅛¢ early in February and the low price of 4½¢ f. o. b. refinery which today prevails.

We have been advised unofficially that approximately 550,000 barrels of gasoline has been purchased in cargo lots from independent refiners on the Gulf Coast during the period from late March to the middle of May. These figures have not been given to us in exact detail, but we believe they are substantially correct.

Neil Buckley

4702 GOVERNMENT EXHIBIT NO. 23.

Letterhead of Cities Service Export Oil Company,
New York, N. Y.

Tulsa, Oklahoma
May 25, 1935

Mr. H. E. Brandli,
New York Office

Having completed the purchase of all the Natural Gasoline that could move on or prior to May 30 in line with your telegram of this date, and obtaining advice from Mr. Welch that the consideration of the Natural Gasoline contract would not be taken up before the end of the coming week or the first week of June, and because of inability to communicate with Mr. Arnott requesting a postponement of the engagements he had made for me with the Executives of major companies and for the meeting which he had called, felt it was desirable to go through with the plans which had been made. Will, therefore, be in New York on Monday morning, and will communicate with you as early in the day as possible.

All Natural Gasoline shippers have been requested to rush movement of material on order for us, making completion of shipments on May 29 if at all possible. We are keeping close check of movements of these orders, and believe that all manufacturers will comply with their promises to us.

Neil Buckley

4703 GOVERNMENT EXHIBIT NO. 24.

Letterhead of Cities Service Export Oil Company,
New York, N. Y.

Tulsa, Oklahoma
June 17, 1935

Mr. H. E. Brandli,
New York Office.

It is our understanding there has been some concern in the East, with the elimination of the code, as to whether tank car prices in the Interior would maintain present levels thru the inability of the Industry to attempt to stabilize itself.

In the so termed Mid-Continent area there was con-

siderable gasoline purchased by larger companies during the first week of June, causing many observers to feel that the amount of the distress gasoline which would overhang the market could not be easily absorbed. During the second week of June practically no gasoline was available to the larger refiner purchasers, and a few who could not wait for supplies entered the East market for material.

There was likewise concern over the East Texas situation. It was felt that with the removal of Code restrictions there would be an immediate increase in refinery production and that the orderly absorptions of market surplus was at an end. Maintenance of markets did furnish worry for the operators in the field for a few days. However, the 14 or 15 shippers who were moving State and Federal Tendered Gasoline, closed the week ending June 15 with very little gasoline on hand and sufficient orders are in sight, for a week to week continuation of purchasing on a basis which seems to forecast at least fairly stabilized markets for that area.

Tank car shipments of Fede al Tendered Gasoline from East Texas increased less than 1000 barrels per day from late February and early March to the end of May, a figure which is less than a normal seasonal manufacturing increase. When it is considered that gasoline prices in early March were at a level of approximately 3¼¢ per gallon as against the level of 4⅝¢ on today's market, the fear of those who anticipated greatly increased refinery runs through higher prices seems to have been stilled. The difficulty which the Independent Refiners in East Texas experience in obtaining crude supplies has proven an effective curb on refinery runs. Independents are today offering prices delivered refinery which amount to premiums to obtain crude, but are not successful in obtaining sufficient oil to make the handling of the products manufactured therefrom a burden too difficult to handle.

Neil Buckley

4704 GOVERNMENT EXHIBIT NO. 25.

Telegram

Tulsa, Oklahoma
July 8, 1935

H. E. Brandli
70 Pine St., N. Y. C.

Both refinery and natural markets appear much steadier integrated company purchasing in Eatex for present week will be higher than for past several weeks prices remaining firm kerosene burning oil markets continue very soft limited quantities Eatex material available two seven eighths possibly three quarters.

Neil Buckley.

4705 GOVERNMENT EXHIBIT NO. 26.

Telegram

Tulsa, Oklahoma
July 10, 1935

H. E. Brandli
70 Pine St., N. Y. C.

Gasoline quotations unchanged any under market material that appears quickly absorbed by inter refiner buying bought two additional douba three cents Notex please advise your wishes concerning Eatex kerosene purchasing.

Neil Buckley

4706 GOVERNMENT EXHIBIT NO. 27.

Letterhead of Cities Service Export Oil Company,
New York, N. Y.

Tulsa, Oklahoma
July 24, 1935

Mr. H. E. Brandli
New York Office

In various parts of the marketing territory there are outbreaks of retail price chiseling and price cutting. In practically every instance the cause is traced to the revival of Commercial Discounts, although the widening of the Dealer's margins was a seriously contributing factor. Further analysis shows that in the majority of cases price cutting

is started by Dealers and Dealer's Agents of Major Oil Companies.

As a result of the present disturbed condition, the heads of the Retail Marketing Divisions of the integrated companies are already starting to "yell" that the tank car price will have to be lowered to give them a chance for an even break. Thus they would have a recurrence of the same cycle in which they operated until late last year—retail price cutting, tank car price cutting, and this year it would be crude price cutting.

At the present moment there is no evidence that tank car prices will be allowed to decline to a point where they will threaten the normal retail market structure during August, and unless there is a marked change of sentiment there will be no material price drop during September. There is today every reason to believe that if the Major Companies who control the supply of crude and refined products wish to maintain firm tank car markets they can, if they are willing to properly protect themselves, control the retail price structure. There today seems a very good chance for the Major Companies to throw the retail marketing situation entirely into the hands of the individual jobber, and by rigidly controlling either the tank car price or the tank wagon market, or both, would eliminate many present ills.

That the tank car market will not decline to any great extent during August or early September may seem a broad statement. There is, however, considerable evidence in the field that the crude production cut-back, at present being made effective, is a factor more encouraging than appears on the surface. The August reductions of approximately 25,000 barrels daily in Oklahoma and a drop to
4707 1,001,000 barrels daily in Texas, with Kansas yet to be heard from, should build further encouragement. Executives of two of the largest Major Companies in the East have advised us within the past few days of their belief that the cooperation of Oklahoma and Texas alone in the curbing of overproduction of crude was the most encouraging indication that the Industry had experienced in a long period of time. They, personally, had definitely decided to continue their individual stabilization efforts.

From another source today learned that one of the largest Major Companies, previously entirely aloof from the stabilization project, were very seriously considering a complete reversal of their policy, due to the change in the crude oil production picture. The entrance of that Company into individual stabilization work would mean that every major company in the Industry, with the exception

of one Semi-Major organization, was doing its part in contributing to the maintenance of orderly markets. It is true that the company in question has not, as yet, decided upon its course, but surface indications are encouraging.

The 100% sore spot in the entire Industry today is the State Tendered and confiscated oil question in East Texas. Various investigations into the status of overproduced oil, which is finding its way into the State Market, continue under way at Austin and various other parts of the State. Whether such sessions will uncover enough evidence to "place the monkey on someone's shoulders" remains to be seen. Personally we are skeptical of the results. However, the present situation is so rotten that an open scandal could break and present cut-throat marketing of third grade gasoline change overnight. But even as bad as this situation is, its confinement to Texas alone removed its menace from the National picture for such period as the Federal Tender Board operates in Texas.

Neil Buckley

4708 GOVERNMENT EXHIBIT NO. 29.

Letterhead of Cities Service Export Oil Company,
New York, N. Y.

Tulsa, Oklahoma
September 14, 1935

Mr. H. E. Brandli,
New York Office.

At the present moment the condition of the refined products market in East Texas is in a healthier state than has been evidenced in the past several months. Not only is there a considerable curtailment in the movement of Federally Tendered tank car materials, but there has been a marked slowing down in the movement of trucked gasoline, and a reasonably favorable price increase for State Tendered gasoline.

Crude supplies for the Refiner operating on Federally Tendered material are more tightly held today than has been the case for many weeks. During the past several days two or three Refiners who had sold gasoline in anticipation of receiving Tenders were compelled to buy from other Refiners to make shipment on their commitments. Several Brokers who felt that the decline in spot movement after Labor Day would bring lower prices, found themselves short, and we know of two instances where Marketers

took ⅛¢ loss on their sales. There is not today any gasoline, either motor or 400 endpoint, available in East Texas at less than 4½¢ refinery, and very few shippers will accept less than 4⅝¢ for 400 endpoint gasoline.

In the truck market, the activity of the State in shutting down plants found to be operating on forged tenders for either crude or fuel oil, has reduced the supplies to a point where many of the hot oil plants have been shut down. On Thursday only 20 Refiners were operating in the entire field, less than half of them selling to trucks. The lowest price, f.o.b. refinery, for truck gasoline is 3½¢ per gallon, most of the Refiners obtaining 3¾¢ and several refusing to sell for less than 4¢.

At the moment there is the possibility that the Refiners in the field selling entirely to truck purchasers may form a marketing organization and reach some form of selling agreement with a recently formed Independent Truck Owners Association. This latter group claim to include in membership approximately 90% of the gasoline truck fleet which operates from the field, and propose a form of control which would eliminate the outlaw trucker from obtaining supplies from Refiners who wish to cooperate and maintain a reasonably decent price level.

4709 It is felt that the Refiners Marketing Agency cooperating with the Truck Association would make operation so difficult for the Refiner and truckers who did not hold membership in either organization that consistent operations would be practically impossible.

At the present moment there is no evidence of any kind in the field that conditions are such as to cause the anticipation of a early crude price cut. Everyone seems hopeful of an early settlement of the California situation, and no-one takes very seriously, for the moment, the so called menace of the Rodessa field. It is granted that some effort will be made on the part of small Refiners to move refining equipment into the field from East Texas, particularly so if flush production is obtained in the Texas side of the pool. However, the matter of the crude is such that it will be practically impossible for any small operator to refine or market skimmed gasoline at a profit.

Neil Buckley

4710 **GOVERNMENT EXHIBIT NO. 30.**

Letterhead of Cities Service Export Oil Company, New York, N. Y.

Tulsa, Oklahoma
September 28, 1935

Mr. H. E. Brandli
New York Office

Market observers who have been in close touch with the trend of refinery gasoline buying, both by jobbers and by refiners who have been purchasing in the market for the past several months, today expressed belief that tank car prices can, granted the California crude price upset does not spread Eastward, hold the prices at close to present levels for an indefinite period of time.

There was undisguised concern earlier in September that with any sharp downward turn in demand there would not be sufficient buying power to maintain motor gasoline prices at much above a 4¢ level. However, a factor which was overlooked was, to a great extend, the means of enabling the price structure to quickly recover from the upset of two weeks ago. This was the fact that non-integrated refiners were operating with the lowest working stocks in history. Plants which would normally carry an inventory of 10,000 to 15,000 barrels of gasoline, reduced stocks to 1000 and 2000 barrel levels. With two or three exceptions, refiners in East Texas never carry stocks in tanks. The first flurry of weakness, which resulted from the California crude price cut, caused further reductions in working stocks by refiners who wished to avoid being caught with high price stocks in the event of a Mid-Continent price cut.

Just as long as larger independent refiners and integrated company purchasers continue to absorb gasoline in the open market, refinery stocks at small plants will be kept at low levels, and sharp price breaks undoubtedly prevented.

Discouraging from the viewpoint of those interested in stabilization is the failure of refiners generally to reduce crude thru-put. Many have voluntarily reduced their runs, but too large a number of operators continue at levels which would cause quick market reactions in the event inter refiner buying should be suddenly curtailed. Inasmuch as no organized effort can be exerted to create a reduction in refinery runs, the work of individuals is made more difficult than usual. Some progress has been made, however, and it must be said that a better spirit of cooperation exists among

a greater number of refiners than has been noted in recent years.

4711 The Natural Gasoline market is today in excellent shape. Phillips and Sinclair purchased heavily during the week, and have absorbed all stocks which might overhang the market for the next several days. Aside from the grumbling on the part of two or three brokers who are handling small plant outputs, and to some extent by Hanlon-Buchanan, who apparently do not want to store material at present prices, there has been no outward sign of price weakness for the past several days. However, all of these elements are today apparently well fortified with instructions as none of them have offers to make for immediate or prompt shipment. Hanlon will undoubtedly be glad to sell gasoline, but so far have refused to accept orders at less than published prices.

Kerosene holds fair strength at 3¼¢ Oklahoma, and is quoted at 3⅛¢ East Texas. Comparatively small amount of material is being manufactured in the latter area at the present time, and shipments are, therefore, light. During the week ending September 22, only 49 cars were shipped from the field, 27 moving inter-state, 3 intra-state; and 19 coastwise. On the 24th 4 cars moved inter-state, 1 intra-state, and on the 25th only 1 car was moved, and that intra-state.

Distillate shipments from East Texas are considerably heavier, the total for the week ending the 22nd being 94 cars, of which 92 cars moved inter-state and 2 cars intra-state. There have been no export coastwise shipments for more than 10 days, the domestic price level of 2¾¢ to 2⅞¢ making Gulf movement unattractive.

Neil Buckley

4712 GOVERNMENT EXHIBIT NO. 31.

Letterhead of Cities Service Export Oil Company,
New York, N. Y.

Tulsa, Oklahoma
October 12, 1935

Mr. H. E. Brandli,
New York Office

Purchase in East Texas during the past few days of approximately 200 cars of gasoline by Sinclair, price 4⅝¢ refinery, cleaned up all surplus straight-run gasoline in that field for a period extending to October 21 or 22nd. Sinclair

would undoubtedly have purchased additional material had they been able to secure supplies, but refiners, to protect their jobbing accounts, would not make additional commitments.

With the almost complete removal of East Texas gasoline as a market threat—and regardless of the fact that such material has not been overhanging the market for several weeks, the old East Texas "bugaboo" has continued to be used as a club by brokers—the balance of the Mid-Continent field showed sharp price strength at the week-end. Brokers like Bradshaw, Primrose, and others usually in a position to put their fingers on any cheap material that was available, are quoting East Texas supplies 4⅞¢ group, subject confirmation. Oklahoma refiners, certain that East Texas was out of the picture, strengthened their prices to 4¾¢, and thru gradual reduction of refinery runs hope to be able to maintain that figure thru the month of October.

Crude oil supplies are tightening up very materially in Kansas. Skelly, building a new line North and West from Eldorado, are having a very difficult time securing any connections. Their present predicament is made doubly serious by the loss of 4800 barrels of Stanolind oil, which the latter company disconnected from Skelly's pipe line during the last few days. Shell, who have always maintained a heavy crude storage at Arkansas City, report less than 20 days supply with no relief in sight until after the first of the year. With flush production definitely a thing of the past in Oklahoma City and Seminole, the independent refiners find it difficult to easily secure supplies from 4713 wells within easy transport distance. There is a surplus of oil in the Fitts pool. However, the pipe line costs from that point to the plants needing oil are, under present tariffs, too high for the independent's pocketbook.

From today's outlook, the general crude structure is in better shape than for many years, and if there is not some setback either in East Texas or as a result of a fight between Texas and Louisiana over the rate of Rodessa production, there seems to be little hazard to affirm crude oil market during the winter.

Neil Buckley

(Handwritten Notations):

"Sinsheimer note and return. B"

"Get your export price where it should be."

"See Second page. S"

4714 **GOVERNMENT EXHIBIT NO. 32.**

Letterhead of Cities Service Export Oil Company, New York, N. Y.

Tulsa, Oklahoma
October 19, 1935

Mr. H. E. Brandli
New York Office

If you contemplate the need of additional Natural or other products which it will be necessary to purchase during the coming week, will appreciate your so advising on Monday.

Mr. Arnott has wired requesting attendance at a meeting in New York on Wednesday that a report may be made to individuals who are interested in the status of the East Texas refinery situation. Inasmuch as it will be necessary, to comply with this request, to leave here on Monday night, would like to have everything cleared up during the day that can be anticipated as requiring attention during the coming week.

Neil Buckley

4715 **GOVERNMENT EXHIBIT NO. 35.**

Telegram

New Orleans, La.
January 29, 1936

Harry Frueauff: Cities Service Company
60 Wall St., N. Y. C.

East Texas situation needs prompt handling in order to keep in line need your help very much what we need is your orders for fifty cars will you give me your help answer Roosevelt Hotel New Orleans.

C. E. Arnott

(Handwritten Initials):
"H.D.F."

4716 **GOVERNMENT EXHIBIT NO. 36.**

Telegram

New York, N. Y.
February 1, 1935

Neil Buckley
National Bank of Tulsa Bldg.

Arnot away vacation Coates discussed matter with Jim Collett and Doctor Lederer both Washington and both agree excellent idea they believe majors will cooperate Stop Believe you appreciate undertaking no small job and will require endless amount work to keep all these Texas refiners in line you have the confidence of all here and believe you can put it over so go to it best wishes for your success.

H. E. Brandli

(Handwritten Notations):
"S. O. Memphis" "Eatex personal"

4717 **GOVERNMENT EXHIBIT NO. 39**

Letterhead of La Pren Refining Company,
Kilgore, Texas.

April 16, 1935

Mr. Neil Buckley
City Service Export Oil Co.
Tulsa, Oklahoma.

Dear Sir:

In checking over my records I find that I still owe you a few cars on your order TXB 3646. This is the order that you stopped shipment on, on account of low recovery, in as much as it was very embarrassing for us to get rid of these cars that we had loaded, I think it is only fair that we cancel the balance of this order at 3⅜¢ per gallon. I also find that I owe you seven cars on your order TXB 3656, which is at 3⅝¢. I will start shipment on these as soon as possible and clean them up.

I think this is a fair way to handle this misunderstanding, let your company stand half and I will stand half.

Very truly yours,
La Pren Refining Company
A. S. Robertson

4718 **GOVERNMENT EXHIBIT NO. 40.**

1811 Nat'l. Bank of Tulsa Building

Tulsa, Oklahoma
April 18, 1935

Mr. A. S. Robertson
LaPren Refining Company
Kilgore, Texas.

Dear Mr. Robertson:

According to records furnished by our New York office, we purchased from you on February 28, order TXB 3646, fifteen tank cars of 400 endpoint gasoline at 3⅜¢ per gallon. Eleven cars were shipped, leaving a balance due us of four cars.

On March 18 we purchased from you four cars of 400 endpoint gasoline at 3⅜¢ per gallon, order TXB 3654, which were shipped on the same date.

On March 21 we purchased from you seven cars of 400 endpoint gasoline at 3⅜¢, order TXB 3656, none of which has been shipped.

During the last week of March we discussed this subject with you personally at Gladewater and again in your office, and you advised us that you would complete these orders promptly. We discussed the subject further on April 8 over the telephone, and you promised to give us prompt reply, but we did not hear from you. We telephoned you again on April 15, and you promised an immediate start and completion of the orders TXB 3646 and TXB 3656. We now have your letter of April 16 in which you propose to cancel out the balance of four cars due on TXB 3646 for the reason that, because you found it difficult to meet specifications, shipment was delayed.

For nearly three months have spent practically all my time working in the interests of a group of East Texas refiners, of which you are one. Through my persuasion Cities Service Export Oil Company was induced to buy from East Texas refiners during the latter part of February and March more than 600 cars of gasoline, very little of which, at the time of purchase, we had reason to believe

we would need. The results of such purchasing is
4719 **plainly apparent. Every car of that material except**

the orders we have standing with you has been shipped.

Under such conditions the request in your letter of April

16 provides a most embarrassing chagrin. Coming from one in whom implicit confidence had been placed proves doubly disappointing. We cannot agree under any conditions to the suggestion that you make, and ask that you complete both orders promptly by shipping the balance of four cars due on TXB 3646 and the seven cars due on TXB 3656.

Very truly,
Neil Buckley

4720 GOVERNMENT EXHIBIT NO. 42

Telegram

Tulsa, Oklahoma
December 2, 1935

H. E. Brandli
70 Pine St., N. Y. C.

Sinclair Monday purchased approximate two hundred cars Eatex aviation for movement Gulf over December reported four three eighths refinery this in addition to regular weekly commitments at going market prices indications may be interested additional two hundred cars aviation provided can obtain at three eighths or one half domestic market materially improved thru removal distress supplies with resale gasoline again quoted four five eighths refinery naturals continue very tight with only small lot supplies any grade available

Neil Buckley

4721 GOVERNMENT EXHIBIT NO. 47

Telegram

Tulsa, Oklahoma
January 6, 1936

H. E. Brandli
70 Pine St., N. Y. C.

Douba Oklahoma three three eighths Notex three one quarter both areas will be eighth lower Tuesday unless early support develops Stop Would you be interested quantity Eatex aviation January on same basis Sinclair transaction for December please reply promptly as believe Sinclair again surveying possibilities.

Neil Buckley

4722 GOVERNMENT EXHIBIT NO. 52

Tulsa, Oklahoma
March 7, 1936

Mr. H. E. Brandli
New York Office

Today the market trend in East Texas is upward. Twelve refiners will ship federally tendered gasoline in tank cars during the coming week. Two of these plants have shut down and will be shipping from inventory.

Stocks of straight run gasoline available for shipment as of Saturday night total slightly more than 60,000 barrels, of which Burford holds approximately 30,000 barrels. Total unsold manufacture for the coming week is estimated as 55,000 barrels, for which orders are at present in sight for approximately 40,000 barrels.

The East Texas Refining Company, at present shut down, has transferred approximately a cargo of gasoline from its storage in East Texas to its tankage at Texas City. McMurray Refining Company at Arp is shut down and will probably sell its crude in storage and to be obtained from its connections for the month of March to Empire for transport to the Gulf.

In addition to the refiners today running in East Texas, there are five other plants accumulating federally tendered oil who will start up operations when they can secure a break-even or profitable market for their gasoline. But, with the continued tightening crude supplies in the field, manufacturing of refined products eligible for interstate or coastwise shipment will continue at a low ebb except for the anticipated increase in manufacture by the East Texas Refining Company when its pipe line from Rodessa to Longview is completed in late April or May.

Neil Buckley

4723 GOVERNMENT EXHIBIT NO. 54.

N2018
May 6, 1935

Mr. E. P. Engelke
New York Office

Please refer to our letter N1983 of April 9, in which it was stated that certain items were chargeable to East Texas account and that notation thereon would be given to you at a later date.

We have segregated the items for which we should be given credit and they are listed hereunder. The check marks as mentioned by you as being noted on the Telephone Company's statement were reference notations only and did not refer to the charge-back items.

March 4	Cline—Tyler	$ 6.30
March 4	May—Tyler	4.40
March 25	Cline—Tyler	2.75
March 25	Hartman—New York	5.75
March 25	Robinson—New York	6.00
March 26	Robinson—New York	15.00
March 30	McDowell—Jefferson City	3.85
		$44.05
	Tax	1.40
		$45.45

It will be agreeable to charge my account for the amount shown above, $45.45, and collection will be made from the East Texas group.

Neil Buckley

(Handwritten Notations):
"Paid 5-10
Ck #1 RNC"

4724 GOVERNMENT EXHIBIT NO. 55.

N2021
May 7, 1935

Mr. E. P. Engelke
New York Office

On the attached telephone bill am invoicing the East Texas Group for $182.25 plus tax of $4.35, total $186.60 to cover calls listed on the attached sheet.

Will be in East Texas Wednesday and Thursday and will endeavor to arrange collection of the March and April bills. It would probably seem more advisable to have these checks made out to me personally and indorsed to the company. In the meantime you may, if you wish for the purpose of your records, charge the amount to my account.

Neil Buckley

(Handwritten Notations):
"Pd. 6-12-35
Ck. #17 RNC"

4725 GOVERNMENT EXHIBIT NO. 56.

Items Originally Charged to Tulsa Office Phone and to be Recharged to East Texas Account

April	1	Tyler	$ 4.95	Cline
	2	Tyler	3.85	Cline
	2	New York	19.50	Robinson
	2	New York	14.50	Arnott
	2	New York	9.25	Carnes
	3	New York	12.75	Robinson
	8	Ft. Worth	4.60	Tracey
	8	New York	18.00	Corner
	10	Atlanta	9.50	Arnott
	11	New York	16.25	Corner
	12	Tyler	6.30	Cline
	12	New York	16.50	Robinson
	18	Ft. Worth	.70	Lederer
	18	New York	5.75	Carnes
	22	Ft. Worth	3.60	Tracey
	22	Dallas	2.05	Rew
	22	New York	7.50	Carnes
	22	Dallas	1.55	Rew
	26	Tyler	5.90	Cline
	29	Ft. Worth	4.10	Tracey
	29	New York	9.25	Carnes
	30	Tyler	5.90	Cline
			$182.25	
		Tax	4.35	
		Total	$186.60	

4726 GOVERNMENT EXHIBIT NO. 57.

Tulsa, Oklahoma
June 12, 1935

Dear Bob:

Hereunder list of telephone calls made from LD 773, Tulsa, during the month of May, 1935, in the interest of East Texas Refiners Marketing Association.

April	25	Robinson	Petersburg	$10.75
May	7	Cline	Tyler	5.50
May	14	Tracey	Ft. Worth	6.30
May	15	Bradshaw	Dallas	2.55
May	20	Tracey	Ft. Worth	5.50
May	22	Carnes	New York	7.50
May	23	Bradshaw	Dallas	4.05
May	23	Arnott	New York	16.25
May	24	Tracey	Ft. Worth	5.10
May	25	Cline	Tyler	3.30
				$66.80
			Tax	2.00
				$68.80

The above items will be paid and charged to my account. Will you, therefore, send check to cover at your convenience?

Very truly,
Neil Buckley

cc: Mr. E. P. Engelke
New York Office

(Handwritten Notations):
"Pd. 7-17 Ck. #36
RNC"

4727 GOVERNMENT EXHIBIT NO. 58.

Tulsa, Oklahoma
July 9, 1935

Dear Bob:

Hereunder list of telephone calls made from LD 773, Tulsa, during the month of June, 1935, in the interest of East Texas Refiners Marketing Association:

June 3	Cline	Tyler	$ 7.90
June 3	McElroy	Chicago	4.00
June 8	LD 6	Tyler	3.25
June 11	Bradshaw	Dallas	5.05
June 11	LD 6	Tyler	2.45
June 11	Tracey	Ft. Worth	4.60
June 11	Hartman	Pittsburg	7.50
June 12	Cline	Tyler	3.85
June 12	May	Overton	3.90
June 12	Carnes	New York	7.50
June 14	Lederer	Washington	18.00
June 17	Carnes	New York	9.25
June 18	LD 6	Tyler	5.65
June 19	LD 6	Tyler	6.05
June 20	Cline	Tyler	7.90
June 21	Carnes	New York	5.75
June 22	LD 6	Tyler	3.25
June 27	May	Overton	6.75
June 27	LD 6	Tyler	2.45
June 28	May	Overton	4.45
June 30	Arnott	Short Hill	14.00
June 30	LD 6	Tyler	3.75
			$137.25
		Tax	4.40
			$141.65

The above items will be paid and charged to my account. Will you, therefore, send check to cover at your convenience?

Very truly,
Neil Buckley

(Handwritten Notations):
"Pd. 7-17 Ck. #36
RNC"

4728 GOVERNMENT EXHIBIT NO. 59.

August 14, 1935

R. N. Cline

Listed hereunder are telephone calls made for the account of the East Texas Marketing Association during the month of July, 1935. Would appreciate having your check to cover at your earliest convenience.

Date	Name	Town	Amt.
7/1/35	Cline	Tyler	$ 7.25
7/1/35	Carnes	New York	11.00
7/5/35	Cline	Tyler	6.05
7/6/35	Cline	Tyler	7.65
7/6/35	Cline	Tyler	1.25
7/8/35	Tracey	Ft. Worth	6.70
7/9/35	Cline	Tyler	6.85
7/11/35	Cline	Tyler	3.65
7/12/35	Bradshaw	Dallas	5.75
7/12/35	Cline	Tyler	3.65
7/12/35	Corner	Pittsburg	10.50
7/16/35	Cline	Tyler	5.65
7/16/35	Lederer	Toledo	14.50
7/19/35	Botner	Ft. Worth	1.60
7/19/35	Bradshaw	Dallas	3.05
7/19/35	Cline	Tyler	5.25
7/19/35	Kostelka	Shreveport	6.05
7/23/35	Tracey	Ft. Worth	3.10
7/23/35	Cline	Tyler	2.85
7/23/35	Hartman	Pittsburg	6.00
7/23/35	Robinson	Pittsburg	13.50
7/26/35	Kostelka	Shreveport	2.30
7/27/35	Bishop	Dallas	3.55
7/29/35	Cline	Tyler	7.25
7/29/35	Robinson	Pittsburg	14.50
7/30/35	Bradshaw	Dallas	1.55
7/30/35	Bradshaw	Dallas	3.55
7/31/35	Cline	Tyler	2.85
7/31/35	Cline	Tyler	6.45
7/31/35	May	Overton	3.35
7/31/35	Robinson	New York	25.50
			$202.70
		Tax	6.05
			$208.75

(Handwritten Notations):
"Pd. 8-24 Ck. #41
RNC"

Neil Buckley

4729 GOVERNMENT EXHIBIT NO. 60.

September 10, 1935.

R. N. Cline:

Listed hereunder are telephone calls made for the account of the East Texas Marketing Association during the month of August, 1935. Would appreciate having your check to cover at your earliest convenience.

Date	Name	Town	Amt.
8/2	Cline	Tyler	$ 6.85
8/2	Bradshaw	Dallas	2.55
8/2	Tracey	Ft. Worth	5.90
8/3	Carnes	Ft. Worth	1.60
8/3	Cline	Tyler	4.45
8/3	Cline	Tyler	4.05
8/13	Cline	Tyler	3.65
8/14	Cline	Tyler	2.85
8/14	Bradshaw	Dallas	3.05
8/16	Bradshaw	Dallas	2.55
8/21	Bradshaw	Dallas	4.55
8/21	Meyers	Pittsburg	6.00
8/26	Grogan	Shreveport	6.50
8/27	Robinson	Pittsburg	9.00
8/28	Cline	Tyler	8.05
8/29	Bradshaw	Dallas	1.55
			$73.15
		Tax	3.10
			$76.25
			N. B.

(Handwritten Notations):
"Pd. 9-16 Ck. #504
RNC"

4730 GOVERNMENT EXHIBIT NO. 61.

October 11, 1935

R. N. Cline

Listed hereunder are telephone calls made for the account of the East Texas Marketing Association during the month of September, 1935. Would appreciate having your check to cover at your earliest convenience.

Date	Name	Town	Amt.
9/3	Meyers	Pittsburgh	$ .55
9/10	Lederer	Ft. Worth	4.10
9/11	Bradshaw	Dallas	2.55
9/11	Cline	Tyler	.75
9/14	Cline	Tyler	5.25
9/18	Constantine	Overton	3.35
9/18	Bradshaw	Dallas	4.55
9/18	Cline	Tyler	3.25
9/18	Cline	Tyler	2.45
9/19	Bradshaw	Dallas	2.05
9/19	Cline	Tyler	2.05
9/20	Arnott	Atlantic City	5.25
9/20	Hartman	Pittsburg	7.50
9/20	Cline	Tyler	2.45
9/21	Cline	Tyler	4.85
9/25	Bradshaw	Dallas	6.45
9/26	Cline	Tyler	4.05
9/27	Carnes	New York	5.75
9/30	Bradshaw	Dallas	4.55
			$71.75
		Tax	3.30
			$75.05
			N. B.

(Handwritten Notations):
"Pd. 10-30 Ck. #533
RNC"

4731 **GOVERNMENT EXHIBIT NO. 62.**

November 7, 1935

R. N. Cline:

Listed hereunder are telephone calls made for the account of the East Texas Marketing Association during the month of October, 1935. Would appreciate having your check to cover at your earliest convenience.

Date	Name	Town	Amt.
10/1	Cline	Tyler	$ 4.05
10/1	Starns	Gladewater	5.90
10/1	Kostelka	Shreveport	5.05
10/4	Tracey	Ft. Worth	4.60
10/5	Bradshaw	Dallas	4.55
10/5	Bradshaw	Dallas	2.55
10/5	Kostelka	Shreveport	6.05
10/8	Bradshaw	Dallas	3.55
10/8	Robinson	Pittsburg	7.50
10/9	Cline	Tyler	10.45
10/10	Cline	Tyler	3.65
10/11	Cline	Tyler	2.85
10/12	Bradshaw	Dallas	4.05
10/14	Cline	Tyler	4.85
10/15	Bradshaw	Dallas	1.15
10/17	Cline	Tyler	2.05
10/21	Tracey	Ft. Worth	4.10
10/21	Cline	Tyler	7.65
			$84.60
		Plus Tax	3.50
			$88.10

NB

(Handwritten Notations):
"Pd. 11-19 Ck. #542
RNC"

4732 **GOVERNMENT EXHIBIT NO. 63.**

December 10, 1935.

R. N. Cline:

Listed hereunder are telephone calls made for the account of the East Texas Marketing Association during the month of November, 1935. Would appreciate having your check to cover at your earliest convenience.

Date	Name	Town	Amt.
11/2	Cline	Tyler	$ 8.85
11/6	Carnes	Chicago	3.00
11/6	Ashton	St. Louis	2.05
11/6	LD 417	Dallas	3.25
11/6	Cline	Tyler	4.85
11/7	Cline	Tyler	4.05
11/7	Cline	Tyler	4.45
11/7	Cline	Tyler	2.85
11/8	Robinson	Pittsburg	6.00
11/8	Arnott	Chicago	.40
11/8	Cline	Tyler	5.25
11/23	Cline	Tyler	6.45
11/23	Bradshaw	Dallas	5.75
11/25	Tracey	Ft. Worth	6.70
11/25	Cline	Tyler	6.85
11/23	Arnott	KC Mo.	2.30
11/26	Cline	Tyler	3.65
11/27	Ashton	St. Louis	2.70
11/27	Cline	Tyler	2.45
11/29	Tracey	Ft. Worth	5.10
11/29	Cline	Tyler	3.25
11/29	Cline	Tyler	4.45
11/29	Carnes	New York	5.75
			$100.40
		Tax	4.40
			$104.80

NB

(Handwritten Notations):
"Pd. 12-12 Ck. #550

4733 **GOVERNMENT EXHIBIT NO. 64.**

Tulsa, Oklahoma
Mr. R. N. Cline: January 10, 1936

Listed hereunder are telephone calls made for the account of the East Texas Marketing Association during the month of December, 1935. Would appreciate having your check to cover at your earliest convenience.

Date	Name	Town	Amt.
11/26	Cline	Tyler	$ 4.85
12/3	Cline	Tyler	2.05
12/4	Tracey	Ft. Worth	3.10
12/5	Arnott	Chicago	5.00
12/5	LD 417	Dallas	1.15
12/5	Bradshaw	Dallas	1.55
12/5	Cline	Tyler	3.65
12/6	Cline	Tyler	5.65
12/6	Cline	Tyler	3.65
12/6	Morgan	Ponca City	2.45
12/9	Cline	Tyler	3.25
12/10	Cline	Tyler	5.25
12/12	Scott	Chicago	4.00
12/13	Cline	Tyler	3.25
12/14	Cline	Tyler	5.25
12/16	Cline	Tyler	2.85
12/17	Bradshaw	Dallas	3.55
12/18	Hartman	New York	5.75
12/18	Cline	Tyler	3.65
12/18	Cline	Tyler	3.25
12/18	Bradshaw	Dallas	1.55
12/18	Bradshaw	Dallas	3.05
12/18	Cline	Tyler	4.45
12/20	Henry May, sr.	Overton	1.70
12/21	Cline	Tyler	3.65
12/23	Cline	Tyler	2.45
12/24	Henry May, sr.	Overton	2.80
12/24	Cline	Tyler	2.45
12/24	E. R. Lederer	Ft. Worth	3.60
12/24	Cline	Tyler	2.85
12/27	Cline	Tyler	2.45
12/26	Cline	Tyler	2.45
12/27	Cline	Tyler	2.85
12/30	Cline	Tyler	2.05
12/31	Cline	Tyler	3.65
12/31	Cline	Tyler	1.65
			$116.80
		Tax	6.95
			$123.75

(Handwritten Notations):
"Pd. 1-28 Ck. #561"
NB

4734 GOVERNMENT EXHIBIT NO. 65.

Tulsa, Oklahoma
February 10, 1936

Mr. R. N. Cline,
Tyler, Texas

Listed hereunder are telephone calls made for the account of the East Texas Marketing Association during the month of January, 1936. Would appreciate having your check to cover at your earliest convenience:

Date	Name	Town	Amount	Gov. Tax
Jan				
7	Mr. Hartman	Pittsburgh, Penn	$ 7.50	— 20
7	Mr. Robinson	"	10.50	— 20
7	Mr. Bradshaw	Dallas	5.05	— 20
7	Mr. Tracey	Ft. Worth, Tx.	2.60	— 20
7	LD 6	Tyler, Tx.	5.25	— 20
9	Mr. Bradshaw	Dallas	3.05	— 20
9	LD 6	Tyler, Tx.	4.05	— 20
11	Mr. Tracey	Ft. Worth, Tx.	3.10	— 20
11	LD 417	Dallas	2.20	— 20
11	LD 6	Tyler, Tx.	5.65	— 20
11	LD 6	Tyler, Tx.	3.65	— 20
13	Mr. Carnes	Chicago, Ill.	2.35	— 20
13	LD 417	Dallas	1.50	— 15
13	LD 6	Tyler, Tx.	1.65	— 15
14	LD 6	Tyler, Tx.	4.45	— 20
15	LD 6	"	2.05	— 20
17	Mr. Tracey	Oklahoma City	.80	— 10
17	"	"	.80	— 10
17	LD 6	Tyler, Tx.	1.25	— 15
21	LD 6	Tyler, Tx.	4.45	— 20
22	Mr. Tracey	Ft. Worth, Tx.	5.10	— 20
23	LD 6	Tyler, Tx.	6.85	— 20
24	Mr. Tracey	Ft. Worth, Tx.	4.10	— 20
24	LD 6	Tyler, Tx.	2.05	— 20
25	LD 417	Dallas	2.20	— 20
28	Carnes	New York N Y	9.25	— 20
27	Mr. Tracey	Ft. Worth, Tx.	5.90	— 20
28	LD 6	Tyler, Tx.	3.65	— 20
29	Mr. Hartman	Philadelphia, Penn.	7.00	— 20
29	Mr. Arnott	New Orleans, La.	9.00	— 20
29	LD 6	Tyler, Tx.	2.05	— 20
30	Henry May, sr.	Overton, Tx.	2.80	— 20
31	"	"	3.35	— 20
				6.25
			$135.20	
			6.25	(Tax)
			$141.45	

(Handwritten Notations):
"Pd. 2-29 Ck. #571
LD 6—Cline
LD 417—Bradshaw"

4735 **GOVERNMENT EXHIBIT NO. 66.**

Tulsa, Oklahoma
March 9, 1936

Mr. R. N. Cline,
Tyler, Texas.

Listed hereunder are telephone calls made for the account of the East Texas Marketing Association during the month of February, 1936. Would appreciate having your check to cover at your earliest convenience:

Date	Name	Town	Amount		
Feb 7	LD 6	Tyler Tx	6 45	Gov. Tax	20
7	LD 6	"	1 65		15
8	Henry May	Overton	2 80		20
10	LD 417	Dallas	1 15		15
10	Legge	"	5 40		20
10	LD 6	Tyler	2 05		20
12	4-7544	Ft Worth	2 00		20
12	4-7544	"	2 80		20
12	Bradshaw	Dallas	4 05		20
12	Bradshaw	"	7 50		20
12	LD 6	Tyler	3 25		20
12	Carnes	New York	5 75		20
13	Carnes	"	5 75		20
12	LD 6	Tyler	3 25		20
13	LD 6	"	3 65		20
13	Legge	Dallas	3 05		20
13	4-7544	Ft Worth	2 40		20
14	LD 6	Tyler	2 45		20
14	Schullin-Tex Co	Houston	6 00		20
14	Legge	Dallas	2 55		20
14	Legge	"	1 55		15
17	Henry May	Gladewater	1 65		15
17	LD 6	Tyler	5 65		20
17	LD 6	"	1 65		15
17	Carnes	New York	5 75		20
18	LD 6	Tyler	2 05		20
19	LD 6	"	5 25		20
20	Tracey	Ft Worth	4 60		20
20	Henry May	Overton	3 30		20
21	LD 6	Tyler	2 85		20
21	LD 417	Dallas	1 15		15
22	LD 6	Tyler	1 65		15
24	LD 6	"	2 05		20
25	LD 6	"	4 85		20
25	Bourque	Chicago	6 00		20
28	LD 6	Tyler	3 25		20
			127 20		6 85
			$127.20		
			6.85		
		Total	$134.05		NB

(Handwritten Notations):
"Pd. 3-25 Ck. #578"
LD 6—Cline
LD 417—Bradshaw
LD 4-7544—Tracey

4736 **GOVERNMENT EXHIBIT NO. 67.**

Tulsa, Oklahoma
April 10, 1936

Mr. R. N. Cline,
Tyler, Texas.

Listed hereunder are telephone calls made for the account of the East Texas Marketing Association during the month of March, 1936. Would appreciate having your check to cover at your earliest convenience:

Date	Town	Name	Amount	Tax
March				
2	Tyler	LD 6	$1.65	15
3	"	"	4.85	20
4	"	"	4.05	20
4	"	"	5.25	20
5	Overton	152 H B May	5.00	20
5	Tyler	LD 6	4.85	20
5	Dallas	LD 417 Bradshaw	5.75	20
6	Tyler	LD 6	4.05	20
6	Dallas	LD 417	3.55	20
9	Tyler	LD 6	3.65	20
12	"	"	5.65	20
13	New Orleans	LD 61 Tracey	5.00	20
14	Tyler	LD 6	3.25	20
16	Pittsburgh	Hartman	9.00	20
16	Tyler	LD 6	4.05	20
16	"	"	1.65	15
16	Ft. Worth	LD 301 Tracey	2.60	20
17	New York	Carnes	5.75	20
17	Tyler	LD 6	2.05	20
17	Dallas	LD 417	1.15	15
19	Tyler	LD 6	4.45	20
20	Dallas	LD 417 Bradshaw	5.40	20
25	Tyler	LD 6	2.45	20
25	"	"	4.85	20
26	Dallas	LD 422	3.25	20
26	Tyler	LD 6	3.65	20
30	Ft. Worth	Tracey	2.10	20
			108.95	5.25
				$114.20

cc—Mr. E. P. Engelke
New York Office

(Handwritten Notations): NB
"Pd. 4-21 Ck. #586
L.D. 6—Cline
L.D. 417—Bradshaw
L.D. 422—Bradshaw

4737 GOVERNMENT EXHIBIT NO. 68.

Tulsa, Oklahoma
May 18, 1936

Mr. R. N. Cline,
Tyler, Texas.

Below are listed calls to be charged to the account of East Texas Marketing Association. Will appreciate having your check to cover these calls as soon as possible.

April	Place Called	Person Called	Amount	Tax
2	Dallas	LD 422	$2.20	20
2	Shreveport	LD 37	1.80	15
4	Tyler	LD 6	3.25	20
6	Dallas	LD 422	1.85	15
9	Dallas	LD 422	2.90	20
10	Overton	H. May, sr.	2.80	20
10	Tyler	LD 6	1.00	15
11	Tyler	LD 6	1.25	15
20	Dallas	LD 422	1.15	15
21	Chicago	Arnott	3.00	20
22	Tyler	LD 6	2.45	20
22	Dallas	LD 422	1.50	15
23	Tyler	LD 6	1.25	15
27	Overton	H. May, sr.	2.10	C 20
28	Tyler	LD 6	2.45	20
28	Dallas	LD 422	2.90	20
30	Tyler	LD 6	2.45	20
			$36.30	$3.05
			Total	$39.35

(Handwritten Notations): NB
"Pd. 5-28 Ck. #591
L.D. 422—Bradshaw
L.D. 37—Grogan Oil
L.D. 6—Cline

4738 **DEFENSE EXHIBIT NO. 69.**

4738a **Transcript of District Allocators' Meeting**

Planning and Coordination Committee Under the Code for the Petroleum Industry

Wednesday, March 13, 1935

The District Allocators' meeting held March 13, 1935, in Room 1025 Investment Building, Washington, D. C., convened at 10:20 a. m., Mr. J. D. Collett presiding.

Present:

Mr. Collett
Mr. Arnott
Mr. Gould
Mr. Hartman
Mr. Ewing
Mr. Fred Van Covern, Secretary Statistical Sub Committee
Mr. L. F. Craig, Secretary
Mr. F. B. Dow
*(Mr. Buckley
*(Mr. O. D. Robinson

*Representing refiners in East Texas and the Gulf Coast.

District	Representative	Alternate	Visitors
1	Noel Robinson	(C. J. Everett (W. F. Burt	G. H. VanSenden
2	Chester Smith	D. W. Grant	
3	G. F. Greene		
4	John Day		
5A	Roy B. Jones		
5B	R. B. High	P. C. Scullin	H. J. Struth
5C			
6A	H. H. Hewetson	Glenn Poorman	
6B	D. R. McKeithan		
7	H. C. Bretschneider		
8	L. F. Bayer	G. H. Hill	A. C. McLaughlin M. E. Tracy L. R. Holmes

4739 Chairman Collett: Gentlemen, the meeting will please come to order.

On account of the most unfortunate passing of Mr. Bennette, in the emergency of the P. and C Committee has asked me as Chairman of that Committee to act temporarily as

National Coordinator until such time as an election can be had to succeed Mr. Bennette, and such action has been approved by the Administrator.

In the matter of the detail of handling the meeting here today I am going to ask Mr. Fred Van Covern to preside; he is familiar with the detail of it, he has handled it before, he is well acquainted with all of you and with the conditions existing in the various regions, and it will facilitate matters very greatly if he will do that. In the meantime we have the P and C Committee in session, so I am going to have to retire to the P and C Committee room in a very few moments.

Before you get into your deliberations and break up your schedule here today, Mr. Arnott and associates that have been working with him on a program of stabilization and also a program which he will explain to you in detail and which I will not attempt to go into, are here. I think that will be of particular interest to all of you from the refining standpoint. Mr. Arnott has devoted a great deal of time and perseverance and I may say I think a tremendous amount of patience in addition to all the ability and hard work he has put in on this program. He feels that he is getting good results. From the discussions I have had with him I am quite satisfied that is true, and I am going to leave it to him to tell you the detail of it.

I think the advantage of having Mr. Arnott talk to you beforehand is that some of the things that he will have to discuss here probably will have some relation to and some little effect upon your later deliberations. Mr. Arnott, will you take charge and tell these gentlemen what you have to say, and I will retire to the P and C Committee meeting. Mr. Van Covern, will you take the chair? Thank you, gentlemen.

Mr. Fred Van Covern took the chair.

Chairman Van Covern: Mr. Arnott.

Mr. Arnott: I am not going to take very much of
4740 your time, and only as it relates to and comes in contact with allocations. However, as what we have got to do is going to come to your attention eventually and in this instance immediately, I think we should have a little background of the whole picture, because it is going to have an influence in a great many regions in the country.

In our stabilization work we have had to deal with all the issues, all the activities, of the industry that have prevented normal marketing. We have also had to consider what is not only the proper normal basis of rates or prices that the industry is to secure for its product, but the matter of

net-back to the refinery, as you all know, is a pretty vital thing and at the moment is what we are concentrating on. But looking at the thing as a whole we come to this matter of so-called homeless or surplus gasoline. It comes from a great many sources; it reaches the competitor or a type of competition that is known as cut price competition from the major companies themselves; it comes from East Texas; it comes from the Gulf refineries, and it comes from that large group of Mid-Continent refineries that we know.

When I say Mid-Continent that means, as we look at it, North Texas, West Texas, Oklahoma, Arkansas, Kansas, and so forth. We do have Pennsylvania and we do have Kentucky and we do have Michigan and states of that character but at the moment let's not refer to them.

It has come to us from three or four of these main sources (we have been in an organized way dealing with them) that the matter of this homeless gasoline ought to have a legitimate and proper place in the picture. The present method of offering that gasoline through brokers or where and how it can be introduced into the market has not resulted in stabilization; it has resulted in purchases by various people in various ways, and that gasoline keeps coming back to the entire industry and it has been destructive. The result of that has been that the net-back to the refiner, including that refiner of homeless gasoline, has caused him to find himself in his realizations in a most embarrassed and a most serious condition. From the refinery point of view today it is a very serious issue with all refiners, whether they be major or independent or large or small, and something, of course, must be done.

We all know that you can't talk very much about the realization of the refiner until you get the level of
4741 effort on the part of the marketer on a normal basis, because you can only get at your refinery what the market will pay, and if forms of competition continue and due to over pressure of competitive gasoline that is homeless, that has no regular place and doesn't quite fit into the picture, you have the chaos that we have gone through year after year after year, it is to be hoped that something in the way of stabilization in regard to it can be brought about.

Again, without taking you through the detail, the source of supply of East Texas has finalized itself into a refinery marketing association, and that association is dealing with a spokesman, and that spokesman has been sitting and explaining this situation and the attitude of these refiners and has finally come to a point where he states that in addition to its regular business it has a supply of homeless

or surplus gasoline that totals so much per month; therefore, we lay that on the table as a definite, concrete quantity of gasoline that these refineries claim will be offered to the market, and therefore looking at East Texas we know definitely what to expect month in and month out, at least until further notice.

As to what those particular refineries may have in their tanks in the way of accumulation at the moment, we will come to the figures in a few minutes and will give you this in detail, but I am trying to set the basic thought—they say they have nothing.

Keep in mind that East Texas has been a menace to not only the Eastern Seaboard, but its gasoline also has found its way up into the Mid-Continent and has been competitive with the so-called Mid-Continent suppliers' or refiners' gasoline. Under this we are considering it comes out of the Mid-Continent and finds its way entirely into the East.

Now we have the Gulf refiners; those are Texas and Louisiana. They have largely, if not completely, been putting their product into the eastern market, and it has been a source of sore competition, the kind of competition that has to have an outlet and if it can't get it at one price gets it at another. It has been instrumental time and time again in being a great irritation and has broken down the structures there.

They in turn and coincidently have gotten together and they have appointed a spokesman, and that spokesman, representing the six or seven or whatever they may
4742 be, has likewise laid before us what they say will be their definite, established surplus per month. They in their turn have an accumulation; that accumulation is in their tanks; it is equivalent to so much gasoline. And there we come to the principle that we are here to talk to you about, because if there is going to be any movement to consider what is established month in and month out, to be definitely reckoned with, homeless or surplus gasoline and anybody is to give consideration to taking that regularly, and a buyer or an individual could buy that product from a refiner or an individual seller, then it can't be expected that if it is brought about in an organized way, in a month or two months we are going to be informed that it is unfortunate but there is some more accumulation in somebody's tanks, and therefore this matter of what has accumulated in the tanks of any group of refiners, if dealt with, if removed, if taken out of the picture, immediately becomes a question that it must not be duplicated and again accumulated, because then we would have a sub-structure

or an under-structure that would be undermining everything constructive that we are trying to do.

Therefore, keep in mind that in East Texas in the group of refiners you have a current, definite, known quantity of gasoline that will be coming out.

In regard to the Gulf you will have the same, but there is a temporary work to be done, if it is done, to remove what is an accumulation, and after that that is not to be replaced. So with regard to the Gulf you then have a current production, also month in and month out, of surplus gasoline which is to be considered.

In regard to the Mid-Continent, you have another definite quantity, and that quantity comes as a matter of consideration for the Mid-Continent majors and other types of buyers that might be interested in it. They apparently have no accumulation.

Therefore, the question in all this is: If this is all put to work there are going to be no agreements, there are going to be no contracts with regard to prices or other conditions, there is going to be no group buying, it is going to be a matter in the stabilization work of individual companies looking at what there is in the way of surplus gasoline, and a company will have an opportunity to buy from a refinery that has some of that surplus gasoline, whatever it might choose to buy. It is designed that if they
4743 should decide to buy they would do it not spasmodically, but regularly, and so as to bring about, after having heard the condition and the proposals of these refineries, an established, well organized, current, dependable product made and bought.

As to the prices, the prices will express themselves as the competition or as the situation or the law of supply and demand will dictate. It is not expected and it is not hoped, it will not be encouraged, that there will be any quick and sudden turns.

I am telling you all this because I think the more you know of the whole plan the better we will get into this matter of allocations to these refineries and the more you will know what is back of it. I am perfectly conscious that we have made other efforts at times to have this question dealt with. It has always been done in group form. That has involved agreements, group agreements. Those of us who have had anything to do whatsoever with the whole national picture, who have come to Washington and have had any experience with the PAB and eventually the Department of Justice, know just how long that road is, and for some good reason or for some unknown reason or for

no reason at all those agreements seem to have disappeared; those outstanding attempts—and they were really sincere and worthy attempts—have disappeared in a sort of cloud of mystery, and I don't think I, for one, or anybody else can tell you just where they have gone—they are out of our minds, they are completed, they are finished, and we are not interested.

This is a very flexible and we think intelligent question. The definite statement has been laid down and at this point I want to explain that we have here with us, first, Mr. Buckley, who is representing and is the liaison officer between the East Texas corporation that I have spoken of and those who have been considering this matter; second, we have Mr. O. D. Robinson of the Republic, and as you know they are interested through the Crown Central operations, and he has been asked to act as spokesman for the Gulf Coast. We have no representative of the Mid-Continent here; that is being taken care of at the moment by the Mid-Continent Group and there is no question of allocation that has come up, but I want to touch on it in a minute.

One thing has been stated definitely. If a known
4744 quantity and a steady quantity of homeless or surplus gasoline is to come forward and it is known definitely what it is, it has got to be recognized and absolutely determined that it is going to be that and not something different, and if in a month or two it transpires that it is materially different, then it can be plainly seen there can be no organized consideration or anything done whatsoever.

Anybody who interests himself in this matter is doing so from the point of view of stabilization of markets. There is no reason why any large refiner, why any large marketer, would go in and the refineries, which have plenty of crude and plenty of facilities, would shut down or otherwise not put through to the refineries, having an influence, incidentally, on the cost item, which is so material in these days of our high competition, and would turn around and, as many of these companies might do and probably would want to do in their efforts to assist in the markets, their own and others jointly, buy gasoline in the Mid-Continent, and the same company buy from East Texas and maybe the same company for the Eastern Seaboard buy from the Gulf Coast and in passing yet might be buying some gasoline from Pennsylvania and other sources, or Michigan, maybe Kentucky. So when the definite, absolute principle is established of a group saying, "That is my surplus", it has got to be known and understood and maintained as that

surplus until such time as there is some good reason why it ought to be different.

We don't ask these groups to do anything other than state what their surplus is and what there is involved so that in the consideration that has been given it is as true and as correct and as dependable as can be.

Many questions come up. It isn't our purpose to ask you to deal with those questions today, but they will come up. The questions probably will have to be dealt with very, very carefully. The idea in acquainting you with this is that if what we are saying today should not prove itself as allocations are requested by regions and those regions find that the refiners, for instance, in the Mid-Continent group (I don't know when I say "Mid-Continent" if it registers in your mind as it does in ours, but having it in mind I again say West Texas, North Texas, Arkansas, Kansas, Oklahoma, and that section through there), come for individual allocations and those allocations that are requested by those refiners are not in line with what we
4745 are saying here, then it is to be kept in mind that this very thing we are talking of is not working along the lines that the refiners themselves (and that is my key thought and the point I want to emphasize), that the refiners themselves have stated would be exactly and definitely the case before anybody interesting themselves can deal with it from a marketing point of view or a purchasing point of view in this homeless and surplus supply.

So we have East Texas here that can tell you what the refiners there feel as to their attitude and their willingness in that respect, and we also have the Gulf refiners who likewise will tell you for themselves what their attitude and feeling is in that respect.

That doesn't mean that if a refinery today is shut down, the minute things begin to look better they immediately want to come into the picture. That may transpire. If it does transpire it will be something that will have to be considered, because immediately instead of dealing with what will be presented to you as before us, it means something very materially more. Then the question is: What is the interest of the buyer? Then the question is: What has got to be done along this same thought and line to keep the market stabilized?

We may have a refinery today that is running 30 per cent that immediately says, "Well, there is going to be something doing. I would like to go up to 60 per cent." I have been having these questions asked me when I have been meeting with these refineries, both West and South, and

the attitude of the very groups themselves (these two gentlemen can speak for themselves) and the Mid-Continent is that that is not anticipated and is not expected.

I think as we stand today you can expect those groups to do a great deal within themselves, if not everything within themselves, in order to keep this thing stabilized, and by the time it comes to the Allocators, whether local or this board here, it ought to be pretty well worked out along the lines we are talking about, by then. Your being familiar with it and knowing about it, in case that shouldn't happen there would be a place where it would be discovered it could be dealt with.

So, gentlemen, I am presenting to you a national picture —that is East of the Rockies—whereby this whole stabilization effort of markets, the holding up of normal
4746 sales market structures, the question of the realization of refineries, the working together of those two great groups in order that we may balance this whole picture and in order that we may interest a great many buyers in this so-called surplus or homeless gasoline, can be done along organized lines and in a way that the refiners from these three groups themselves have laid before us beforehand. What they are here for today can be verified in their statements to you.

Anything contrary to that will just mean that there can be no purchasing, there will be no use in any purchasing, and therefore we will retrograde into the position of having unknown and uncontrolled gasoline in the markets, which will mean destruction to the markets, and it certainly will mean what is so vital and so urgent in everybody's mind today, the destruction of the realization of the net-back to the refiner. The refiners are in—I almost said desperate straits. I have been sitting with them, and they certainly are a sad lot, and yet it must be pointed out that they are in that condition somewhat because of the method by which they have been, I won't say compelled, to take their product and force it into the market in a non-constructive way. They may say that they can only get for their product what the buyer will pay and if the buyer won't recognize it as having its proper place they have no alternative but to be highly competitive.

Well, you have both sides of the question, which we needn't take the time to determine here.

I would suggest, then, Mr. Chairman, that you might then ask Mr. Carnes, who has prepared some material, to speak to the point, because he has these figures. I may want to add something to what I have said.

Mr. Carnes: Gentlemen, the figures that I have here represent the present inventory of the four principal smaller refineries on the Gulf Coast—the Republic, Crown Central, the American, and the Chalmette at New Orleans.

The inventory of the Republic as of March 1 is 180,000 barrels.

The inventory of the Crown Central is 204,000.

The inventory of the American is 146,000.

Chalmette, 140,000.

4747 Total, 760,000.

The estimated production for March, April, May, June and July of those four companies is placed at 1,880,000 barrels. Their own demand is estimated at 1,330,000 barrels, leaving surplus, or homeless, as it is generally called, a total of 550,000 barrels, in addition to which they have 670,000 barrels of gasoline in their inventory as of March 1, making a grand total of 1,220,000 barrels.

Chairman Van Covern: May I ask a question, Mr. Carnes? Does that 670,000 that was actually in storage on March 1 represent surplus, or is that combined working stocks plus marketable stocks?

Mr. Carnes: I think Mr. Robinson can better answer that, but I understood that that was gasoline that was available for shipment. Is that right?

Mr. O. D. Robinson: Yes, it is total inventory as of that date.

Chairman Van Covern: Is it all available for shipment?

Mr. O. D. Robinson: Yes.

Mr. High: Is that excluding working stocks?

Mr. O. D. Robinson: No.

Mr. High: It wouldn't appear that it would be.

Mr. O. D. Robinson: No, it includes working stocks.

Chairman Van Covern: Then it is not all shippable at the moment, not all available for the market.

Mr. O. D. Robinson: All but the tank bottoms.

Chairman Van Covern: Does it include your refinery working stocks and your tank bottoms?

Mr. O. D. Robinson: Yes.

Chairman Van Covern: Then you can't ship your working stocks and ordinarily you can't ship your tank bottoms.

How much of it is readily available for shipment? I
4748 don't want to complicate this, but it seems you wouldn't be able to ship all of your gasoline.

Mr. Carnes: I quite agree with you, Fred, but my understanding was that this was shippable stocks. Now if it includes working stock, then some fair estimate will have to

be arrived at in the absence of authentic figures of approximately what each plant would have.

Chairman Van Covern: That could possibly be arrived at through Mr. Robinson and his group working in conjunction with the Allocators in the Gulf Coast, using the figures arrived at recently by the Inventory Committee as to working stocks by companies.

Mr. Carnes: Yes.

Mr. Hewetson: You say that is the March 1 inventory?

Mr. Carnes: Yes.

Mr. Hewetson: In the case of Chalmette our records don't indicate that. Chalmette's own figures indicate 92,000 barrels instead of 40.

Mr. O. D. Robinson: Was that actual inventory or was that estimated inventory given prior to the date?

Mr. Hewetson: Actual inventory March 1.

Chairman Van Covern: I presume that before any definite figures are worked out by your committee, the spokesmen of the various groups will contact the Allocators in the area and check the figures.

Mr. Carnes: Well, I imagine so. I would say this, that if each refinery has 50,000 to 60,000 barrels, which I would consider a fair estimate of working stocks, we would have, roughly, 220,000, 240,000 barrels to be deducted from this total of 670,000.

Chairman Van Covern: It would at least appear that all of the 670,000 is not readily shippable.

Mr. O. D. Robinson: The figures that you have, Mr. Carnes, and that I was asked to give are complete inventories as of March 1, and it was done rather hurriedly

4749 and I got them over the telephone.

Mr. High: If you would like to read back those figures, will you? I didn't check them.

Mr. Carnes: All right, here they are. Republic, 180,000.

Mr. High: No, that doesn't check. 126,207.

Mr. Carnes: All right, I'll put yours down.

Crown Central, 204,000.

Mr. High: 153,000.

Mr. Carnes: American, 146,000.

Mr. High: That is approximately correct, 148,400.

Mr. Carnes: Chalmette, 140,000.

Mr. Poorman: 92,718.

Chairman Van Covern: And even those figures include your working stocks.

Mr. High: Even those include the working stocks.

Mr. Carnes: That makes a reduction of, roughly, 151,000 barrels there already.

Mr. High: The total working stocks allowed to the three companies in 5B are 385,500, which includes, I will say, roughly, about three cargoes for three companies, or about 150,000 of that that is not considered available.

Mr. Carnes: That is what I figured, 50,000 barrels at the plants is about the usual amount.

Mr. Noel Robinson: What is the volume of your unavailable?

Mr. Poorman: 30,200 unavailable for Chalmette.

Mr. Noel Robinson: That would make a total for that group of about 180,000 unavailable.

Chairman Van Covern: That is 180,000 of these 4750 figures just read that is unavailable, approximately.

Taking the Allocators' figures of stocks as of March 1, we find that there has been reported approximately 520,000 barrels as actually in storage held by the four companies as of that date. The Allocators indicate that the four companies require as working stocks 180,000 barrels, so that would indicate approximately 300—

Mr. Hewetson (Interrupting): Not working stock in our case—unavailable.

Chairman Van Covern: Unavailable stocks, 180,000 that indicates about 340,000 available for shipping.

Mr. Noel Robinson: On the first of March.

Chairman Van Covern: On the first of March.

Mr. Noel Robinson: If we can get a figure for the production in March we might get some indication of how much additional we will have by the end or the middle of this month.

Mr. High: I can give you the similar stocks on April 1.

Mr. Burt: Mr. Carnes has the March production.

Mr. Carnes: The March production of the Republic is 110,000 barrels; April, 110,000.

Mr. Noel Robinson: Give us March only for all the companies.

Mr. Carnes: All right. 110,000 for the Republic, 133,000 for the Crown Central, 65,000 for the American, and the Chalmette 60,000. They made a note here that the allocation for March was 30,200, but they gave the production figures for March of 60,000.

Mr. Noel Robinson: That makes a total of 368,000. Do you have any indication of what those companies figured they would move to other buyers during the month of March?

Mr. Carnes: Their own demand in the Republic for March is 80,000 barrels; for the Crown Central, 165,000.

4751 Mr. Noel Robinson: That is more than they will produce.

Mr. High: And incidentally, these are not checking at all with the district figures.

Mr. Carnes: That is quite all right, that is what we are here for, to turn the sunlight on it. Let's find out. American Oil, their own demand, 20,000 barrels; Chalmette, 20,000 barrels.

Mr. Gould: Chalmette is allowed 30,000 barrels, they are going to produce 60,000, and their demand is 20,000. Is that correct?

Chairman Van Covern: So it appears on March 31 there will be available for shipment 340,000 plus 83,000.

Mr. Noel Robinson: That is correct.

Chairman Van Covern: 423,000 on March 31.

Mr. Van Senden: How has the demand been established?

Mr. Noel Robinson: In weighing this matter here I think the only thing we can go on is to take their actual indicated production in the month of March and then deduct from that the figures they are showing that they are going to move by themselves in their latest estimate to arrive at what their surplus is.

Mr. Van Senden: But there is the question of what kind of demand it is, whether it is based on a historical background or what they wish to move.

Mr. Noel Robinson: If they want to deduct this volume of their own outlets to indicate their surplus, I think that is the figure we want to use. We assume they must have it or they would have given a lower figure, because they are trying to show how much they would like this committee to move.

Chairman Van Covern: That is on their own regular demand.

Mr. Noel Robinson: We don't have to have that supported, because I presume they indicate that on the

4752 low side in order to show how much surplus they are going to have.

Mr. Gould: Wouldn't it be on the high side to show they should be allocated much more?

Mr. Noel Robinson: This is not a figure they have submitted for allocating purposes; it is a figure they have submitted to indicate their excess, that they want moved. We are talking about this figure of 83,000 excess gasoline for which they will have no outlet for their production in the month of March. Is that correct, Van?

Chairman Van Covern: That is correct. It appears, then, that there will be available for shipment at the end of March 423,000 instead of 670,000.

Mr. High: Mr. Van Covern, may I ask why we limit this study to these particular companies here since there are five other small companies who will likely be in a very similar position?

Chairman Van Covern: Mr. Carnes probably is in a better position to answer that.

Mr. Carnes: The only reason I can tell you is that the figures for these other smaller companies were not available. Mr. Robinson collected the information about the four principal companies.

Mr. Arnott: Who are those other companies?

Mr. High: Corpus Christi, with a demand of 5,000; Houston Oil, 6,400; Phoenix, 15,000; Refurio, 46,043; and the Stone with a zero demand but stocks of 36,799 barrels on hand March 1.

Mr. Hewetson: That is that refinery that started up, wasn't it?

Mr. High: Stone have been running right along in Texas City.

Mr. Arnott: We had the Houston, we had the Phoenix down—all four of those.

Mr. Hewetson: Is the Eastern States going in?

4753 Mr. Carnes: I had a telegram this morning from the Eastern States saying that they have one cargo that they would like to move. I have information this morning from another source that Burford is in with a couple of cargoes.

Mr. Hewetson: That is they are going to join the association.

Mr. Carnes: They haven't said so.

Mr. Arnott: Are all those refineries?

Mr. High: Those are terminals.

Mr. Arnott: That is another thing. Where do they get their product?

Mr. Carnes: I imagine Burford's, Mr. Arnott, comes from the East Texas Refining Company, in which I think he is still interested, plus his purchasing for terminal purposes.

Mr. Hartman: According to what I have heard the Corpus Christi has a cargo for sale.

Mr. High: That must be a theoretical cargo because it is not shown in stocks.

Mr. O. D. Robinson: They have been offering that for a month.

I should like to point out one thing on this question of so-called demand. It is a question that has bothered us every time these so-called allocations come up. The independent group are in a different shape from the major companies in that they sell theirs spot. It is a little difficult in the early part of the month to tell exactly what that will be, and it is more difficult now when in our effort to play along with this stabilization program. For instance, take our own company: we have three terminals on the Eastern Seaboard, New York Harbor, Baltimore, and Virginia, most of which we sell spot; we would have no trouble most of the time moving all that stuff to the terminals if we had no regard for the markets. We have been trying to play ball with this stabilization program, and sometimes our estimated demand given the early part of the month goes down.

4754 I will give you a concrete illustration. In our New York terminal in December we put through very close to 2,000,000 gallons; in January we did 700,000; February we did 100,000, because we were trying to hold our price to a cost basis. The demand is there, there is a big market there, and we could easily push it out, but we want to play ball on this general program, and that is one reason this so-called demand is hard to estimate accurately.

Mr. Hewetson: Might I make this statement in connection with that, that there are two things that I see which influence what you have had to say. The first thing is we have allowed these refiners to get a cargo of gasoline from stocks so they can sell it, as far as having something to sell. Another thing is this: that though the demand may have been as you suggest, each one of these refiners has several more cargoes to sell right today, so that it would seem they have been given sufficient demand. Gasoline is in the tanks waiting to move.

Mr. Noel Robinson: Mr. Chairman, I think we are confusing the issue and the question being put up here today by bringing up this question of past history in the demand of the Gulf Coast plants. Mr. Arnott has pointed out what the situation is today. I think that is the one we ought to face, and as I understand it the reason he has brought this matter before the group that is handling allocations is in order to develop some protective procedure for the future so that we would know what the volume of this gasoline would be, and that is the procedure that I think we ought to discuss. It seems to me he has rather clearly outlined the basis for that procedure, which would

be to accept as part of the demand the volume of gasoline both which the companies estimate themselves they will have an outlet for, plus the volume the buyers will agree definitely to take over this period of months. That would become their fixed demand. Their excess would have been agreed upon by the buyers; that would constitute demand; they would then have as a fluctuating demand their own estimates of their own outlets, and it would seem to me that we could hew to that line pretty closely and certainly require them, in case they did not meet their own estimated outlet demands, to curtail correspondingly their production, but to accept since it will be all worked out on a reasonable basis, the volume of the buying excess as part of the demand which they will operate over this period.

Mr. Arnott: I think that is clearly stated, and 4755 to carry that thought along, if you haven't anything, Jack, that changes what I say, the figures that we developed when we met, what we were able to develop from the figures that had been submitted from both these groups are here and if there is any question in your mind as to their validity or any question as to their accuracy or dependability you might talk to that. What we have had submitted to us is that there will be homeless gasoline regularly coming forward every month from the East Texas refinery group (we will ask Mr. Buckley in a minute to tell us whether there is anything likely to come beyond that at present of tendered gasoline or what that might mean in the future of anything that is not covered by those he speaks for), but we have had presented to us three cargoes per month as a definite amount, no more—well, there might be some little more or some little less, there might be a little flexibility, but in round figures and dependably there would be those three cargoes.

Mr. Robinson gave us the figures that totaled regularly coming forward two cargoes. As I said before, in the case of East Texas there is no accumulation and there wouldn't be any. That is important—there wouldn't be any. In regard to the Gulf Coast, they now have the equivalent of nine cargoes (they will speak for themselves), and if that were lifted out of the picture it wouldn't be replaced, that is out. Therefore, all that would have to be considered for the East Coast would be an amount per month systematically for the next few months, we will say, not binding them up, the buyers probably are not binding themselves much further, of a total of five cargoes. It is a noticeable thing and it raises a

question, because it rather spoils our confidence; every time we deal with this thing, whether stocks on hand, whether demand, or what-not, these figures never seem to check.

Whether you do it here today or how you do it (it might be a good idea to do it while these gentlemen are here) I think we ought to have some final set of figures so when these gentlemen go back they can have them verified and finally made dependably certain. We had different figures and they had different figures, and now you are getting some more figures. I don't doubt that there is good reason for that, but putting that aside, is there anything to show that these figures we have now of those five cargoes, three and two, in those two groups, are not accurate? Have you anything different, Jack, any subsequent figures?

4756 Mr. Carnes: I have this change, Mr. Arnott, that instead of 670,000 barrels as shippable gasoline on hand, they actually have 340,000 barrels.

Chairman Van Covern: They had on March 1.

Mr. Carnes: That is what I am talking about, March 1.

Mr. Arnott: Where do you get that?

Mr. Carnes: Those are the figures that High has, showing the actual inventory that they have on hand, which is different from what we had. Here is the way it works out. There are 675,000 barrels which these people gave Robinson. That has been changed now to the ostensibly correct figures here of 520,000 or 519,000. Then we must take off the working stocks, which brings it down to 340,000 barrels on hand.

Mr. Arnott: Is that something that you checked with Mr. Robinson, that working stock?

Mr. O. D. Robinson: There should be some deduction for working stock. I gave the total inventories. I would like to make sure now about these actual inventories as of March 1. We are always asked near the middle of the month, for instance the middle of February, to estimate our stocks as of March 1. That is very often changed due to the fact that a boat may not come in and our actual inventory isn't the same. Once before I got into that difficulty before the Review Board, and I found that the figures that were given as our inventory for the succeeding month were estimated, not actual, and I would like to check that.

Mr. High: These figures that I am giving you now are estimates. There is a separate set of figures out on the fifth. Struth, our Secretary, isn't here this morning.

Mr. O. D. Robinson: I know the figures I have given for

our inventory as of March 1 are accurate, but I do know that we estimated a different figure.

Mr. Noel Robinson: Your figures were gotten directly from the companies in question?

Mr. O. D. Robinson: That is right.

Mr. Noel Robinson: They gave you what the total 4757 stocks were?

Mr. O. D. Robinson: Yes.

Mr. Noel Robinson: What does that total?

Mr. Carnes: 670,000 barrels. I will give it to you by companies if you wish. They gave them to Mr. Robinson because he was in telephone touch with them, and the only thought I have is when they give these figures to the Allocating Committee they may narrow those figures down so that there will be a little more crude. That is the way they run these things in, so as to get a little more crude.

Mr. High: I can give you actual figures when our Secretary shows up here. We will have figures actual as of March 5, and supposed to represent actual figures of the 1st.

Mr. Hewetson: Our figures for Chalmette of course are actual.

Mr. Noel Robinson: That leaves 490,000 barrels of shippable stock if we use your total figures and deduct from them the 180,000 barrels that are indicated on these sheets as working stocks.

Mr. Jones: You have a difference there in Chalmette. Didn't you say your actual figure is 93,000?

Mr. Hewetson: Our figure is not an estimated figure. 92,000.

Mr. Jones: There is 50,000 barrels cargo.

Mr. Noel Robinson: I don't care where the material is. I think we want to know what the actual figures are that are overhanging the market. That is the point we want to get at today.

Chairman Van Covern: I think it might be well for Mr. Robinson to get late figures by telegraph and then meet with the Allocators concerned and after a subtraction of unavailable stocks indicate a definite shipping surplus or shippable surplus.

Mr. High: I would recommend we do that, because the working stocks I have given are only rough and I will
4758 have those in complete detail.

Chairman Van Covern: A very definite figure of shippable stocks can be worked out through Mr. Robinson and the Allocators concerned meeting together.

Mr. Carnes: We can dispose of this one thing by getting

the actual figures so we will know the stock on hand that is shippable. We have already estimated what their demand is. The only new figures that we have are Eastern States and Burford.

Mr. Arnott: I was just talking to Mr. Buckley about that, and having in mind that if we take the East Texas Group's gasoline to the extent of some three cargoes, does that mean that that takes all the gasoline they had, or is there some other source of supply? We have the terminal stock on the Gulf. The question is, where does it come from. Is it in that three cargoes or is it outside? Let's ask Mr. Buckley to speak to that point.

Mr. Buckley: Mr. Burford's refinery is not included in the list of surplus as we have outlined it for East Texas. He has some marketing arrangement with Mr. Hart. Hart markets principally through the East Coast, apparently through his own facilities. He may have a surplus cargo available once in a while and that would have to be taken into consideration in the Gulf Coast picture. Also taken into consideration from East Texas will have to be the charging stock that will be shipped to the American plant at Norsworthy and rerun on a processing basis for people like the Suburban Oil and the Eastern States. Except for that the East Texas surplus I believe will be entirely removed in these three cargoes.

Mr. Arnott: That would mean, then, that the Eastern States in so far as it buys gasoline for its own use, if it has any surplus—

Mr. Buckley: Will have to accumulate it either through refinery processing at Norsworthy or buy on a competitive basis in the field or from someone else on the Gulf Coast.

Mr. Arnott: In so far as Mr. Burford is concerned he gets it from Hart. Hart sells his own.

Mr. Buckley: Burford supplies Hart.

4759 Mr. Arnott: I say Burford supplies Hart.

Chairman Van Covern: But there will be an occasional cargo above the five.

Mr. Buckley: There will be an occasional cargo depending upon what Hart's marketing picture is on the East Coast. I am not acquainted with it.

Chairman Van Covern: Above the five.

Mr. Buckley: Above the five. There may or may not be.

Mr. High: Any production, though, from a processing agreement would be taken care of in the Gulf Coast production allocations.

Mr. Buckley: Rather than East Texas.

Mr. High: Yes.

Mr. Arnott: The other question is this. You mention those four refiners. They check rather closely with what Mr. Robinson gave us. Will you speak to that, Mr. Robinson? What have you to say about those smaller refineries?

Mr. O. D. Robinson: As I explained in New York, we tried to get the details from the smaller refiners but we don't have them on hand yet. I feel for the sake of getting this thing started, this production is rather small and there is some question about their allocation. For instance, take the Corpus Christi Refining Company: they feel they should be allowed to produce between 20,000 barrels and 30,000 barrels a month, whereas their allocation has been around five. It isn't for me to say what is to be done with that picture, and I didn't crowd it any too far, because I wanted to get somebody else's slant on it. The other refiners that are mentioned I believe market all of their stuff locally in Texas, that is the Phoenix and Houston Oil, so they wouldn't be a factor in this.

Mr. High: Stone might, the old Stone-Republic, which has now been separated into two parts for allocation purposes apparently. They might come into that.

Mr. Buckley: That plant is not operating any more, 4760 is it?

Mr. High: No, but it is apparently ready to operate on a moment's notice and would operate with an assured outlet.

Mr. Buckley: The Corpus Christi plant is operating entirely on an octane concentrate.

Mr. High: I can give you all that data.

Mr. Arnott: Are there any other questions of Mr. Robinson on that? That ought to be clear to these other companies.

Mr. O. D. Robinson: I might add to what Mr. Buckley said that I understand the figures that I gave for the American plant include the Suburban, and that is the only other crude being run in that plant at the present time.

Chairman Van Covern: Could you get a check of your March 1 stocks from the various companies that you represent, by wire or by telephone?

Mr. O. D. Robinson: Yes.

Chairman Van Covern: And when will the Secretary of your Group be available, Mr. High?

Mr. High: He should be here now.

Chairman Van Covern: You are prepared to go into a discussion of it as related to the Louisiana Gulf Coast, Mr. Hewetson?

Mr. Hewetson: Yes.

Chairman Van Covern: Just as soon as Mr. Robinson can get the information and you can get the figures from your Secretary, I think the three ought to get together and work our figures as to the exact surplus on March 1 and then give us the best estimate that you can of the surplus as it will exist March 31 if these amounts as given are moved during the month.

Mr. Arnott: Is it your idea that right here and now they withdraw and do that?

4761 Chairman Van Covern: I think it is a subject that ought to be handled now, but the Secretary of the Texas Gulf Coast is not available, and Mr. Robinson will take a few moments to get his information.

Mr. High: He is on his way over.

Mr. O. D. Robinson: While we are all together I should like to hear an expression, though, as to how to handle this Chalmette situation. I am only presenting the views of these different refiners. As I understand it, over a long period their average gasoline production has been upwards of 75,000 to 100,000 barrels, I mean practically speaking back over a year or two. Then their refinery was shut down, they lost some of their markets, and when they started up again they were given a small allocation, around 30,000 barrels. They say that it isn't profitable to operate the plant on that basis and they are asking for 60,000. That is the only one in my group that disputes the allocation. If they were given a higher allocation it would have to be done by assuming that part of their output would go to the major companies under this selling plan.

Chairman Van Covern: Mr. Hewetson, you are the Allocator down there, would you care to discuss that?

Mr. Hewetson: Yes. At these meetings we have up here the allocations have been figured on demand and the allocations to the districts are very carefully scrutinized by all of the Allocators here. If we expect a shipment and ask for a certain production and it does not materialize, then our district doesn't get very much of the total in the country, as much as it would if our record was good. After we parcel out, at this Allocators' meeting, the gasoline to these different districts on that basis of demand, then when we get back to the district we have no alternative but to see the boys that have the good record and those who do not. We just can't, on the basis of the allocations that are made here, go back and say, "Well, here you are, you can have 100,000 barrels of gasoline. We haven't seen a shipment in the past, but here it is anyway."

Mr. O. D. Robinson: Isn't this a matter of whether

Chalmette shall include in their demand a portion of this gasoline to be shipped?

Mr. Hewetson: I think that what you are talking about is the position from today on rather than in the
4762 past.

Mr. O. D. Robinson: That is correct.

Mr. Hewetson: If it is recognized that Chalmette has a regular business, we will say, of 30,000 barrels and the industry feels that Chalmette should have 60,000 barrels in view of some arrangement through this association, that is a different outlook, because then they will move it, and then they will have a demand which we can substantiate in this meeting.

Mr. Gould: Then we are not talking about distressed gasoline any more.

Mr. Hewetson: That is a contribution.

Mr. Arnott: Are we clear, Mr. Robinson, that the Chalmette position is that here are these companies entering into selling their product and estimating what it is going to be, and they feel as it is at present it isn't enough and for one reason or another they would like to see it increased so when the final decision is made as to what it is going to be they are going to have in that picture more than they had in the past, in other words they want a better position?

Mr. O. D. Robinson: More than they had in the last few months, but their record of their refinery over a long period has been very much higher.

Mr. Noel Robinson: The actual fact, Mr. Arnott, is that all of the Gulf Coast refineries that are included in your picture have been operating on the basis that they have counted as part of their demand an outlet on the Eastern Seaboard which has gone to next to nothing, with the result that you would have this accumulation of cargoes on the Gulf Coast today which is all part of the originally filed demand on which they got their allocations.

Mr. Arnott: Well, it seems to me that is dealing with a principle that is a very potent and dangerous one. I am now thinking out loud. If as the result of this, to go back to what I said before, a refiner for reason can go back in his history and point to this and say, "At one time I had so much business," whether it was spot sales or regular business or what-not, "and due to the depression and all the conditions of the market I have today less,"
4763 whether that less is because he has closed down his refinery to less or whether he has accumulated in his tanks, the fact is he hasn't done his business, and if you take the position that he isn't to open up his refinery more,

once he disposes of the accumulation in the tanks what he then has is what he is going to have regularly, you are dealing with a very, very large principle. I would like to ask some of the committee on the other side, not Mr. Robinson or Mr. Buckley, whether it wasn't contemplated in this picture that we take A as his surplus. Am I not right in that? I mean by that a surplus, that he produces today so much gasoline and sells it, and after he has sold it he has got something that hasn't got an established business, but a spot business that he didn't do yesterday or the day before or the day before, but some day he might. I wonder if we are not pretty close to the mark on that.

Mr. Noel Robinson: I think we can clear up that point by going back and showing you that over the past two years that group of plants has had a regular operation and that that regular operation of production, regardless of the ups and downs and the losses of markets, has been quite even, and when you check that against their regular production over the last two years, this regular monthly production, you will find that the amounts they are filing as their normal volume of production, from which they are deducting a fixed outlet and leaving you the excess that they are indicating, that Mr. Robinson has indicated, have really consisted of what they have done and the level they have actually operated at over the period of the last two years. Those plants are a group of small plants which are not in position drastically to curtail; they literally have to shut down entirely, because a sharp cut in their production allowables throws them into an absolutely uneconomic production and cost, with the result that they have had to operate, while they have been operating at all, on a pretty steady volume of production.

You go back and check them by years and by months, and you will find that this very group of plants that you have just named has run almost consistently and averaged out remarkable close to the picture that Mr. Robinson has just given as to what their expectations or what the basis of their volume of production ought to be for this coming year.

Mr. Arnott: That is very clear. Just break it down and come to the Chalmette.

4764 Mr. Noel Robinson: The Chalmette operated in 1933, at an average rate of 82,000 barrels production a month. In 1934 they were shut down for a period, that is they were very sharply curtailed and partly shut down, with the result that they produced only an average of 54,000 barrels a month. However, after the period of their

shut down in '34, which was from May on, (they were shut down in April) they averaged at the rate of 65,000 barrels a month. Their schedule running through 1935, I presume would be about the same rate.

Mr. Hewetson: Doesn't that include the purchases of a distressed cargo under the program committee?

Mr. Noel Robinson: This is their production. Their outlet was artificially created during part of that time, that is correct, Henry.

Mr. Hewetson: They purchased a large quantity of gasoline, casing-head, for example. A lot of that is not in refinery production.

Mr. Noel Robinson: That is correct, they did have some purchases.

Mr. Arnott: Then you think this request of Chalmette's is all right?

Mr. Noel Robinson: I think that all of those have got to be matched against what is a reasonable program. That is all you are talking about. You are literally talking about establishing a demand, an accepted demand, or an accepted volume of business for those plants. I think that is the basis we ought to recognize.

Mr. Carnes: That is my position exactly.

Mr. High: Yes, you should appreciate that they have always had sufficient stocks to meet any reasonable demand, including cargo shipments, and had that demand been apparent they would have received allocations to allow them to increase their runs, so it is merely a matter of establishing a demand for them, which doesn't exist at the present time.

Mr. Gould: Which is no longer a question of surplus gasoline.

Mr. Noel Robinson: The whole question is surplus, 4765 gasoline, because if they dwindle down to the volume of business that they had left as an actual demand for their own outlets, we can see it is just a fraction of their business today. That is why you are coming into the picture.

Mr. Gould: You are thinking of surplus capacity. It is not a question of surplus capacity; we have got surplus capacity. If somebody would buy from me I could produce it. Am I to be guaranteed the trade of last year and the year before last?

Chairman Van Covern: May I suggest that the District Allocators of 6A and 5B meet with Mr. Robinson in the adjoining room and try to straighten out the figures.

Mr. Arnott: It is going to be a matter of reason, apparently, with the Chalmette.

Mr. Noel Robinson: Every one of the plants is on the same basis.

Mr. Carnes: I don't think there is much question here, Mr. Arnott. I think the larger view we must keep constantly in mind, that if these people are going to be interested with the balance of the industry in stabilization, then the larger companies who have the greater stake must recognize more or less their production and sales program for the past two years. Obviously Robinson is right in his statement that he made to me and made to all of us in New York, that these four refiners for a period of years had always felt that there was some cargo buying on the Eastern Coast and they had set up their refinery operations on that basis. At the end of November the buying ceased. These people have accumulated four or five or six cargoes of gasoline, anticipating that what they call the normal buying on the Eastern Coast that had more or less regularly been followed would again be followed this year, and personally I have no quarrel with that view.

The only thing that I think we ought to keep in mind is this: that we ought to be reasonable, we ought to play the game of give and take, and for the purpose of 20,000 or 30,000 barrels difference between the Chalmette's situation today and what they asked for, if what they asked for, 60,000 barrels, is a fair basis (and it is according to Mr. Robinson's figures because they have been working on the basis of 65,000 to 82,000 barrels a month), then I don't
4766 think we ought to linger long on that point, and if we can get these figures fairly accurately as of March 1 and then set up exactly what their surplus is, as Robinson has given it to us, we will know pretty well what these four principal refiners there have in the offing. The balance of the stuff coming from Stone and Corpus Christi and Phoenix and what-not is something that I think we will have to deal with as we meet it.

From time to time I think there will be an occasional cargo appearing on the Gulf Coast as the result of the operations of those smaller refiners. One time it may be Houston, three or four months later it may be a cargo accumulated at Corpus Christi. I don't think that is sufficiently important to disturb our calculations. I think what we ought to confine ourselves to here to day is the situation with reference to these four regularly operating plants, and then deal with the smaller ones from time to time as the conditions warrant.

Mr. Hewetson: Mind you, I as an Allocator have no issue with the Chalmette. If they have 60,000 barrels demand, all right.

Mr. Arnott: Your point is clear to me.

Mr. Carnes: I understand that. We have no quarrel with you.

Mr. Arnott: As an Allocator, what you did was quite right. We are talking about a different matter.

Mr. Hewetson: Mr. Arnott, do you feel it is essential for all of these surplus gasoline manufacturers, so to speak, to be in this association?

Mr. Arnott: In East Texas?

Mr. Hewetson: And on the Gulf Coast.

Mr. Arnott: There is no association on the Gulf Coast. Make the distinction. In East Texas we have nothing to do with that. We are dealing with the facts. I think that ought to be done. I think Mr. Buckley ought to tell you what that association is, because the matter of East Texas gasoline and surplus gasoline and production is one of our difficulties. I think he ought to tell you the history. It is a very brief one. But we are taking it as it comes to
4767 us. I think he also ought to tell us as to what part of the production that reasonably covers. There may be more. It isn't before us today. We have got the substantial, better part, practically all the surplus gasoline that is going to come, pretty nearly, from the group in this association. Whether it is or whether we like it or don't, that is an association that is working under its own spokesman and own representation and is an entity today. We have nothing to do with who joins it or who likes it or doesn't like it, they are there. There was talk even of pipe lines and accumulating on their part gasoline on the Gulf and coming up here and being competitive with the Gulf Group. All those things have got to be considered. What we are doing is, let's say, for Group A and Group B. The other group have only gotten together and asked a spokesman to speak for them, they have no association. That is quite different.

The point is that as an economic industry matter you have got the pint pot and you can't get any more into the pint pot than the pint pot will hold. In that picture gasoline comes in. We are approaching it from this angle: Where is the gasoline? Who has it? If we decide it is an exact quantity, are we dealing with the facts? If so, we can go forward. That is all we are trying to establish. Once we do that we don't want, by some other route, an allocation or a change to be made on the part of an organi-

ation or an individual or even a representation from a region for something different, because it will come afoul of what we are doing and undermine it.

Every buying plan we ever had has gone on the rocks because of that. That is the reason we are coming right to you with the facts about what it is all about, so the minute you see the signal of something that doesn't verify what we are working along, that is the time we stop and say, "What's doing?"

I think you ought to tell them about this association so they will know all we know.

Mr. Buckley: I think everyone here is acquainted with the various stabilization moves that were made last year involving East Texas. At that time there were eighty refineries operating in the field. It was impossible to estimate the amount of gasoline that the plants made each month, but on the record and off the record it averaged as high as one million and a quarter barrels many months in the early part of the year and during the summer.

4768 In the various stabilization moves that were made was a small group of refiners that endeavored to cooperate with those who had charge of the stabilization work. I think the maximum of refineries in the field at any one time that signed up for stabilization was about fifty-five. In the last stabilization effort there were about thirty, but in those thirty and in the fifty-five there was a smaller group who worked with the coordinators to try to bring the others in line. That group has now dwindled to some place from fifteen to eighteen refiners in the field, all of whom have a considerable investment, the larger part of whom have considerable production of their own, and nine or ten of whom already have cracking plants. They are a group who will probably stay in the East Texas picture as long as there is surplus oil available in the field.

They sympathized, as I said, with the stabilization moves of last year, knowing that they couldn't continue to operate on present returns, and were anxious to agree again to some stabilization effort if it could be started. There didn't seem to be any spokesman for them or any way in which they could approach those who might help them, so they discussed their troubles with three or four of the larger companies in Texas, and out of the discussion came the tentative plan for a central sales agency or allocating agency which every refiner, regardless of his size, in East Texas could if he would allocate his surplus gasoline to for disposal by this marketing agency, at least for allocation by that agency to potential buyers.

The refiners involved have been shipping their gasoline for the past several months into any territory in which they could find a market, very largely into the Indiana territory, up into Ohio, over into Kentucky and the Southeast, and when there was no market there they dumped it into terminals on the Gulf Coast where it became surplus cargoes to undermine the Gulf Coast and in turn the East Coast structure.

Some six weeks ago a group of twelve refiners in the field formed an organization called the independent Refiners' Marketing Corporation. Each one was going to contribute $5,000 for the formation of this organization, and they planned on taking over a small terminal on the Gulf Coast in which during the summer months they could ship as surplus heavy oils. The organization that was originally formed was rather unwieldy. In the first place, some small refiner operating only a few hundred barrels a day couldn't afford to contribute $5,000 and he felt he was
4769 out. Therefore, to take everyone into consideration it was decided to allow a small group of a half dozen or more to go ahead with their terminal plans and form a central organization in which the membership fee would be any place from $500 to $1,000, and they renamed that the East Texas Marketers' Corporation, which is today functioning.

This group of refiners, all of whom were allocated gasoline, have accepted allocations from the Allocator for that district for the past several months, and shipped during February a total of 371,000 barrels of gasoline. Included in that shipment, however, was 97,000 barrels from the East Texas Refining Company, which went to the Texas City terminal of the East Texas, and the East Texas Refining Company, by the way, is not a part of this group because of its contract arrangement with Mr. Hart.

Mr. Gould: Isn't it included in the allocation?

Mr. Buckley: It is included in the allocation, but it is not included in my figures. The balance left for the other refiners was something under 300,000 barrels of tendered gasoline shipped during the month of March, and their shipments very closely tallied with the allocations made them by the Allocator for that district.

The same group of refiners for the first week in March shipped 59,600 barrels of gasoline. They estimate that they will have 243,500 barrels of gasoline available for the balance of the month. That makes a total of 303,000 barrels. If Mr. Burford's allocation or the East Texas allocation for the month of March, 66,000 barrels, were

added to that figure we would have 369,000, or very close to the figures which this group represent will be available as gasoline during the month of March.

These same refiners, or all the refiners of East Texas, rather, were given an allocation during the month of February of approximately 450,000 barrels.

To the whole district for the month of March there was assigned 619,000 barrels, of which 449,400 barrels was definitely allocated. That in turn included Mr. Burford with his 66,000 barrels.

Mr. Gould: What about the balance?

Mr. Buckley: It was not allocated. There were 4770 169,000 barrels in March assigned to the district but not allocated.

Mr. Dow: Is that because some of the refiners didn't furnish the figures?

Mr. Buckley: Some of them didn't furnish the figures. Some openly confess they didn't anticipate having any tender oil and wouldn't be in position to ship tendered gasoline. Others disposed of their crude and decided they wouldn't operate for the month of March. Some of them I doubt will operate for some period of time because of contracts they have made.

Mr. Gould: The total allocation of gasoline which was produced was what?

Mr. Buckley: A total allocation for February of approximately 450,000 barrels—I don't know the exact figure—and of that quantity 371,000 barrels was actually shipped. For March, 449,400 barrels was allocated. The closest estimate that we can get today of what will be shipped is 369,000 barrels, of which 66,000 will be shipped by Mr. Burford, leaving approximately 303,000 barrels to be shipped by others in the field.

They estimate that their known outlet for cracked gasoline which they will manufacture for various other types of gasoline that they will manufacture will be some place in the neighborhood of 60,000 barrels a month, leaving them a surplus of approximately 240,000 barrels, which can move into Group 3 or can move to the Gulf Coast, to outside terminals, or can move into the Southeast territory, but if it does move there it will not move in an orderly manner.

Mr. Jones: It has been moving in all three districts.

Mr. Buckley: It has been moving any place they could find a market at any price they could get.

Mr. Gould: That surplus is an allocation which they will technically have. I thought you said in February

there had only been a certain amount allocated; although the whole district had been allocated 600,000, only 450,000 had been definitely allocated to individual plants.

Mr. Buckley: That is for the month of March.

4771 Mr. Arnott: How about those that are not in the association, Mr. Buckley? What is that gasoline? Where will that go? How about plants that are not in the association that may begin to do something they have not done before?

Mr. Buckley: The marketing organization as set up employed a man as assistant secretary. He is the only paid man connected with the group. He contacts not only the members of this association, but every other refinery in the field that is operating on either state or federal tenders, and he feels that he knows at all times just where the gasoline is, and I believe every refiner in the field has consented to allocate his surplus to this organization for marketing.

There is one point that might be brought out, a point of interest to you. A lawyer who has represented a large number of refiners in the field, F. W. Fisher, who successfully attached the last 9 (c), was employed by this group as an attorney, and the strength or weakness of the group, in my opinion, depends upon the continued leadership of that man Fisher. He is also the attorney for three refiners who are not today shipping on federal tenders but who may again operate, and through his contact with them he can in turn bring them into line and I believe hold the group in line better than any other one man.

Mr. Dow: Is Fisher favorable to this program?

Mr. Buckley: Very much so. Fisher himself, to recite a little bit of history, owns production of his own in East Texas. Contrary to general belief, he has never over-produced his own wells. Fisher came down to Washington and appeared before the Supreme Court. He is smart enough, in my opinion, to know that the refiners that are in this particular group are the ultimate survivors in it, and if they are going to be the ultimate survivors they are also going to be his meal ticket. Therefore, he will work as hard as he can to hold them together and get them to cooperate. Mr. Jones knows the man and can tell you whether he thinks that line of reasoning is correct.

Mr. Jones: I think it is good. Fisher is a very smart man. He knows where the future for him lies.

Mr. Buckley: That is why I make the statement that I

believe the strength or weakness of holding these 4772 people together lies wholly with him.

Mr. Jones: Absolutely, and I think they will follow anything he tells them.

Mr. Gould: As far as I can gather (I would like some sort of general information), in February, or rather in March, the idea is that they have got to have a 250,000 barrel surplus of gasoline against their allocation. As far as I can ascertain, the amount of crude they have available is about 600,000 barrels, which will produce somewhere around 280,000 barrels of gasoline. I can't see how the 250,000 barrel surplus can come out of 600,000 barrels of crude. One could only draw the inference that if they have this surplus, alleged surplus, or rather if they are going to have this alleged surplus, either it can come from an over allocation and an over allocation can only come out of some illegitimate crude, shall we say, or—

Mr. Buckley: The point is, Mr. Gould, that in addition to the approximately 600,000 barrels of crude which you anticipated would make that amount of gasoline which you mention, there will also be approximately 10,000 barrels a day of cracked gasoline produced. I think there will be about 4600 barrels a day of cracked gasoline.

Mr. Gould: I don't see where that is coming from.

Chairman Van Covern: Are you gentlemen ready to report?

Mr. O. D. Robinson: I think the only actual difference in our figures is working stock. The totals of actual are very nearly the same.

Mr. High: Of the four companies discussed, Republic, Crown Central, American, and Chalmette, the stocks as of March 1, according to information received on the eighth, are 737,783 barrels, less unavailable, 174,200 net stocks 562,531. In addition to that we have the Corpus Christi, Houston Oil, Phoenix, Refurio, Stone Oil, with total stocks of March 1, 69,680 barrels, less 23,700 barrels unavailable, leaving an available of 55,479.

Grand total in the district, 807,463, less unavailable 197,900, available of 618,010. Additions not guaranteed.

Chairman Van Covern: Would this committee 4773 develop a March 31 position, just as this has been developed?

Mr. Noel Robinson: Mr. Chairman, I would think that you would take their production for those plants minus their own outlets (Mr. Carnes read both of those figures) and then deduct 83,000. I think we ought to check that over again.

Chairman Van Covern: I think we should. Would you gentlemen check out those figures and find their surplus production at the end of March?

Mr. Hewetson: With their allocation or the amounts that have been suggested?

Mr. Noel Robinson: If they establish their outlets they establish their allocation. That's the trouble. If we accept the outlet, the buying outlet, they will be able to establish their allocation.

Chairman Van Covern: March is already set. It is a mere checking of the figures to ascertain the surplus.

Mr. Noel Robinson: I don't doubt for a moment but that their production will be over their outlet.

Mr. Hewetson: That is what I am saying.

Mr. Noel Robinson: What their own estimates of their production are as against their allocation for the month.

Mr. High: In calculating the stock position for March 31 we have taken the production as indicated by the separate companies under the purchase plan and by the allocation. The totals of the four companies involved under the plan which show a production of 368,000 under allocation show 338,200, the difference representing the run over allocation indicated by Chalmette.

Also, the demand under the plan is indicated at 215,000 as against a presumably verified demand to the allocating agencies of 305,000.

Mr. Noel Robinson: Can we take that as a demand through their own outlets?

Mr. O. D. Robinson: The discrepancy there between the two—

4774 Mr. Noel Robinson (Interposing): I mean this 215. Do you think that is a firm demand, that that is what they will have through their own outlets, not counting any of this cargo movement?

Mr. O. D. Robinson: I asked them for their own demand and that is the figure they gave me. I don't think they are figuring any cargoes in it.

Mr. High: Against 305,000 as given to the allocating agencies, or a difference of 90,000 barrels.

Mr. O. D. Robinson: I think the demand given to the Allocator did include the cargoes.

Mr. Noel Robinson: That figure checks pretty closely. Beforehand we took their production estimates and deducted from that their indicated consumption through their own outlets, and we came out with 83,000 barrels. This difference is actually the excess that they had figured on in their indication to Mr. Carnes.

Mr. High: I can give you the details of that.

Mr. Noel Robinson: I don't believe we need those details.

Mr. High: All right. I was just going to say the main portion comes under American.

Stocks, then, on the basis of production and shipments under the plan at the end of March would be 715,531 available gasoline, by allocation 595,731.

Mr. Noel Robinson: This 715,000 is on the basis of the verified demand.

Mr. High: That is on the 215; 595,731 is on the basis of the allocations and shipments as given to the allocating agencies.

Mr. Noel Robinson: In addition to that we have that small group of plants. How much did you figure that was?

Chairman Van Covern: This includes all the companies?

Mr. High: No, that is just the four companies 4775 involved.

Mr. Noel Robinson: It doesn't include those small Corpus Christi plants.

Mr. High: Let me read that for the purpose of the record. The Corpus Christi, Houston Oil, Phoenix, Refurio and Stone Oil would have a total demand under allocation of 31,045, and their combined stocks at the end of March would be 65,822 barrels, making the total under the plan 715,531, and including the five small companies mentioned, 661,553.

Mr. Noel Robinson: Available.

Mr. High: Available gasoline. I further mention, however, that these figures do not check exactly.

Mr. Gould: 716,000 and 65,000 should be added together.

Mr. High: No, it should be added to the 595,731. 715,000 for the grand total, including the four plants, which do not come under the proposed plan. Therefore, the total is the same as you would have in the first case, but under allocation the 65,822 should be added to the 595,731.

Mr. Noel Robinson: Why shouldn't the 65,000 be added to this figure too?

Mr. High: We have no details.

Mr. Noel Robinson: Then I think we have got to add it if we are going to produce it and these people, are going to produce 715,000 regardless of their allocation. That makes 780,000.

Mr. High: 781,353.

I might say that these figures are only rough and have to be checked.

Mr. Arnott: I suggest to the members of the committee that they and these two gentlemen meet in my room at the end of the hall after lunch, say 2:15, but before we leave it is my understanding that that represents memoranda of figures that are correct as we see them and are on file here and will be used by us in further developing the question with these gentlemen, and unless you
4776 hear from us to the contrary will be the basis on which we will carry on any plans or program or decisions that we reach which will be along the line we are considering that I mentioned this morning. If there should be at any time any deviations, I think it would be well if you would arrange to call our attention to them, call my attention to them. Does that definitely and clearly put the matter before all of us?

Mr. Jones: Mr. Arnott, in your statement you said there was no surplus in Mid-Continent. There is one company down there in North Texas that has a large stock that has been embarrassing, as you know.

Mr. Arnott: I didn't mean to say that. I was quite familiar with that.

Mr. Jones: That one company has 130,000 barrels above working stocks, but has agreed to spread it out over the summer in reasonable quantities each month.

Mr. Arnott: Outside of that there wouldn't be very much?

Mr. Jones: Outside of that I know of none.

Mr. Buckley: Another thing that ought to be covered in your stocks now is the condition of Mr. Burford. I don't know whether those terminal stocks of his come under Gulf Coast figures or not.

Chairman Van Covern: The East Texas Refining Company, Mr. Burford's company, reports its Gulf Coast terminal stocks to 58, doesn't it, Mr. High?

Mr. High: I don't know.

Chairman Van Covern: In your overall stock picture, but not when you calculate your refinery production.

Mr. High: That's right.

Mr. Gould: The original figures we had was a grand total of 618,000 barrels available the first of March. That was the original figure which you verified. Now you verify 780,000 at the end of March. That is a difference of 160,000 barrels. Is that right?

Mr. High: That is right.

4777 Mr. Gould: Does that 781,000 include working stocks?

Mr. High: No.

Mr. Noel Robinson: That is the net available for shipment.

Chairman Van Covern: Are there any other questions on the part of anyone?

Mr. Noel Robinson: I suggest that we adjourn and meet for our regular allocations right after luncheon.

Chairman Van Covern: Then the Allocators will meet in this same room at two o'clock.

The meeting recessed at 12:45 p. m.

4778 NOTE: [The remainder of the transcript, covering the afternoon and evening sessions and consisting of some 50 typewritten pages, is devoted to the usual business of the District Allocators, and is not printed. The committee from New York did not attend these sessions.]

4779 GOVERNMENT EXHIBIT NO. 71.

February 8, 1935

Wadhams Oil Company
Milwaukee, Wisconsin

Att: Mr. A. G. Maguire, Chairman

Subject: Weekly letter

Dear Mr. Maguire:

Crude Oil—Considerable activity in leasing in Oklahoma and Kansas continues. The Texas Company are becoming more aggressive in an effort to build up their crude oil reserves. It is said the Texas Company will spend considerable money this year in their production department.

Hot oil in East Texas is now estimated at 35,000-40,000 barrels per day. The number of refineries operating there now number 30, compared to 20 in early January.

Tank car shipments out of East Texas increased 450 cars last week. This refers to all products shipped by T/C.

Gasoline—Due to rumors of new activity by major companies in connection with pool purchases, the market has firmed up slightly in East Texas. Third grade motor is now 3⅜¢ fob Refinery in that area. 3¼¢ is the going price in Oklahoma, with a few cars still available at 3⅛¢ group 3.

It is thought that if several hundred cars are purchased

in Oklahoma, Kansas and North Texas this should clean the market of all distress gasoline in these areas.

East Texas gasoline is in good demand, and practically all of it is moving to the Gulf. It is hoped this will continue.

If pool buying resumes next week I expect journal and Oilgram prices to advance at least ¼¢.

A group of East Texas refiners are sponsoring a central sales agency for the orderly disposal of their gasoline. It is felt this will eliminate chiselling by marketers on the tank car price.

4780 Natural gasolines are slightly weaker, but there is no particular surplus. I expect naturals to hold for the present at current price levels.

Burner oils are still weak, and I think we have seen top prices for them for the season.

Yours very truly,
W. P. Jacobi

Copy for
Mr. H. M. Sullivan—
from Tulsa office

(Handwritten Notations):
"H. S. Pyke" "Noted HMS"

(Handwritten Initials):
"LTM" "P"

4781 GOVERNMENT EXHIBIT NO. 72.

February 15, 1935

Wadhams Oil Company
Milwaukee, Wisconsin

Att: Mr. A. G. Maguire, Chairman

Subject: Weekly Letter

Dear Mr. Maguire:

Crude Oil—More activity in drilling and leasing is apparent as the weather improves. Southwestern Oklahoma and certain Kansas areas are particularly interesting to the majors and semi-majors at the present time.

Even with 30,000 to 40,000 barrels of hot oil still being run in East Texas, as well as increased throughput due to new plants opening, that area appears in pretty good shape. In fact, there is but little gasoline available there for northern shipment.

Gasoline—U. S. Motor legal gasoline in East Texas is

3⅜¢ to 3½¢ f.o.b. refinery and practically all of it is moving to the Gulf or is being sold Intra-state.

U. S. Motor in Oklahoma and Northern Texas is still available at 3¼¢ group, but refiners are not pushing sales, expecting some activity shortly on the rumored buying pool.

If this pool starts operating, I expect prices for tank car gasoline to advance at least ¼¢ immediately. However, it will take some news of this character to keep prices at present levels due to the poor demand.

Natural Gasoline—Natural Gasolines are weaker, 26/70 now being available at 3¢, with the price trend downward.

Burner Oils—Burner oil prices are expected to sag further next week.

Yours very truly,
W. P. Jacobi

Copy for
Mr. H. H. Sullivan—
from Tulsa office

(Handwritten Notations):
"Pyke" "LTM"

4782 GOVERNMENT EXHIBIT NO. 73.

June 7, 1935

Mr. A. G. Maguire, Chairman
Wadhams Oil Company
Milwaukee, Wisconsin

Dear Mr. Maguire:

The crude situation continues in good shape, with very little surplus crude available to small plants, that might be considering resuming operations.

Tank car prices on gasoline have advanced ⅛¢ the past week, on all grades. If present tank car prices hold and I believe they will, it is expected that the Standard of Indiana will advance Service Station prices another 3/10 or 4/10's of a cent within the next week.

When this Service Station advance materializes I look for no further advances in either the wholesale or the retail price, unless an advance in the crude price is made. This, I do not believe, could occur for at least 60 to 90 days.

Distillate and Zero Gas Oils are easier, and will continue to weaken in price, until an attractive storage price level is reached. It would appear that this year, we will have to wait until July and August to store.

Natural gasoline prices are holding, but should strengthen slowly over the summer months. I look for a very firm natural market this fall, and our refinery and Milwaukee bulk plants should prepare for this by storing all the natural they can this summer.

Yours very truly,
W. P. Jacobi

Copy for
Mr. H. M. Sullivan—
from Tulsa office

(Handwritten Notation):
"J. S. Pyke"

(Handwritten Initials):
"P" "CBM"

4783 GOVERNMENT EXHIBIT NO. 75.

September 20, 1935

Mr. A. G. Maguire, Chairman
Wadhams Oil Company
Milwaukee, Wisconsin

Dear Mr. Maguire:

The crude situation is unchanged from last week. We have heard a lot of reports about improvement in the California situation, but I can see but little evidence of actual improvement there, at this writing. What the oil industry needs now is actual evidence that the California fields have reduced their production, and I think this news will have to come shortly.

Gasoline—Purchases by some of the larger refiners have strengthened the tank car gasoline market. Smaller refiners are still "jittery" due to California, and insist on keeping their storage tanks dry.

The oil products in real demand are zero cold test burner oils.

Yours very truly,
W. P. Jacobi

Copy for H. M. Sullivan—
from Tulsa office

(Handwritten Notations):
"Pyke" "Purch. Dept."

4784 GOVERNMENT EXHIBIT NO. 76.

December 21, 1935

Mr. A. G. Maguire, Chairman
Wadhams Oil Company
Milwaukee, Wisconsin

Dear Mr. Maguire:

Crude Oil—Michigan crude prices were advanced 10¢ per barrel in the past week.

A rumor was circulated here the past few days to the effect that "a good sized company" effective January 1, 1936 would pay a 15¢ premium over the posted price in East Texas.

The Texas allowable for January has been held within proper bounds.

These developments, have caused increasing conversation in Tulsa relative to an advance in the Mid-Continent crude oil posted price.

I do not believe a price increase on crude will occur here at least until Spring. I cannot believe the S. O. of Indiana will advance T/W and S. S. prices in the winter time, and without such an advance, higher raw material costs, or higher T/C prices could hardly be justified.

Gasoline—In the T/C market conditions here this December compared to previous years, show such a marked improvement that the Industry should be quite gratified.

Smaller refiners are moving their current manufacture gasoline without delay. These smaller plants have practically no gasoline in storage, as they expected prices to drop when consumption fell off in November, and sold their surpluses. They are therefore, entering 1935 without any gasoline that has to be moved.

There is no particular reason therefore, for T/C gasoline prices to decline in January, February and March, as long as these small plants are able to move their current production, to present outlets. In April or May, S. O. of Indiana and others, will no doubt feel more like supporting a crude oil price advance, and raising the retail price. Tank car prices could then advance and higher retail prices could be properly supported.

4785 Burner oils are in demand, and most refiners are sold out for several weeks.

26/70 Natural is slightly weaker, the new price being 4¢. One or two manufacturers reduced their price ¼¢, to move

their stocks before January 1. I would judge that we have seen the high for natural gasoline prices, this season.

Yours very truly,

W. P. Jacobi

Copy for H. M. Sullivan—
from Tulsa Office

(Handwritten Notations):
"Noted H. M. S." "Pyke"

(Handwritten Initials):
"LTM"

4786 GOVERNMENT EXHIBIT NO. 80.

Letterhead of Dale W. Moore Oil Co., Tulsa.

August 10, 1935

Socony-Vacuum Oil Co., Inc.,
26 Broadway
New York, N. Y.

Attention: Mr. Chas. E. Arnott, President.

Dear Mr. Arnott:

There are some matters I wish to call to your personal attention with regard to a cargo of gasoline I have been trying to sell to your Company during the past sixty days. I have in storage in the Continental Oil Company Terminal at Texas City about 77,000 barrels of 65 octane gasoline which I first took up through your Tulsa representative Mr. Paul Jacobi. He forwarded complete specifications as tested by Chas. Martin & Company during the month of June at which time you were not interested in buying. On July 1st, while Mr. Jacobi was on his vacation, I wired Mr. John Romer and referred to specifications mailed him by Mr. Jacobi and offered to sell this cargo at 5½¢ f.o.b. to which he replied on July 2nd, that he could not handle cargo at the moment.

In the latter part of July, this same cargo was offered to you through the Refiners Export Corporation of Houston, Texas, at 5⅜¢ and they failed to secure your order. Yesterday I was advised by Mr. F. W. Burford, President of the East Texas Refining Company, that your Company had purchased during the last two or three days a cargo of 60/64 octane gasoline in the Gulf and paid 5½¢ whereas I had offered you 65 octane gasoline at 5⅜¢. This sale was reported in Platt's Oilgram of August 8th at 5⅝¢ but a correction run in Platt's Oilgram on August 9th

showed sale price was in error and corrected same to 5½¢. I understand further this gasoline was purchased from Eastern States Petroleum Company, Houston, Texas.

Now it is not my desire to attempt to upset any market and I am sure you can confirm this statement by communicating with either Mr. Jacobi or Mr. R. W. McDowell of the MidContinent Petroleum Corporation or others in this territory where I do tank car marketing business. I have worked very closely with all in the MidContinent field toward stabilizing prices and have likewise attempted to do the same thing on the Gulf. I have not attempted to go out and cut the market to move this gasoline I have stored on the Gulf, otherwise I would have sold same long ago.

4787 This gasoline has been offered to every major company operating on the Atlantic Seaboard and if my price of 5⅜¢ is too high, then I think someone should challenge Platt's Oilgram in publishing a 5½¢ market. I might state further that during the past two or three weeks the Wood-Moore Corporation, of which I am Vice President, sold a cargo of 67 octane gasoline which we had in storage at Corpus Christi to the Hartol Products Company at a price under the market and that we never made any report of this transaction to Platt's Oilgram or anyone else.

I am coming to you with my troubles because I know you have done more to stabilize prices than any other individual in the Oil Industry and certainly there is some outlet for this one cargo of gasoline I have in storage. To my knowledge, there is not any other distressed gasoline on the Gulf as all of the small plants are sold up over August. There is nothing legally wrong with my gasoline and I can furnish a photostatic copy of the permit issued by the Texas Railroad Commission when this gasoline was shipped by Steamer from Houston to Texas City in December, 1934. This gasoline was manufactured by the American Petroleum Company refinery at Norsworthy, Texas. I am attaching herewith tests made on August 5th by Chas. Martin & Company. If you are interested in purchasing this gasoline, I suggest you get in touch with Mr. Jack Riddell at New York whom I wired yesterday concerning same. He has a photostatic copy of the permit from the Railroad Commission.

If I am unable to dispose of this gasoline in a cargo lot, then I will be forced to sell same in tank cars in the Houston area or ship it to some Terminal on the Atlantic Seaboard and send a man back East to peddle it out in tank cars and barges and I certainly do not wish to follow this method of disposing of same.

If I do not get a buyer pretty soon, it is beginning to look as though I will have to go to Washington and get our friend "Harold Ickes" to sell it for me.

I will certainly appreciate any cooperation you might extend and awaiting your reply, I am

Yours very truly,
Dale W. Moore Oil Co.,
By Dale W. Moore

4788 GOVERNMENT EXHIBIT NO. 83.

August 16, 1935

Mr. D. W. Moore,
c/o Dale W. Moore Oil Co.,
Tulsa, Oklahoma

Dear Mr. Moore:

As Mr. Arnott is in Europe, your letter of the 10th instant to him has been referred to me for reply.

We are not interested in the purchase of the cargo of gasoline you refer to, altho we thank you for bringing it to our attention.

Very truly yours,

CLJ.P

Copy for Mr. Paul Jacobi

4789 GOVERNMENT EXHIBIT NO. 84.

August 16, 1935

Mr. Paul Jacobi,
c/o Wadhams Oil Company,
Tulsa, Oklahoma

Dear Mr. Jacobi:

For your personal information note attached from the Dale W. Moore Oil Company and copy of our reply.

As I understand the situation these people accumulated a cargo of gasoline at Texas City when the price was substantially less than today's market, and have been holding it for the purpose of making an extra profit thru higher prices. Furthermore, I heard that the original intention, when they leased the storage, was for the purpose of exporting the gasoline. Of course you know we are not interested in purchasing gasoline from other than refineries direct.

I also understand they have offered the cargo to several

possible buyers here in the East and none of them seem to want it.

There is no objection to your talking with our Magnolia friends about this in view of the Dale W. Moore Oil Company's reference to possibly selling it in that vicinity.

Very truly yours,

CLJ.P
Enclosures

4790 GOVERNMENT EXHIBIT NO. 86.

August 27, 1935.

Dear Paul:

I arrived in New York at noon last Saturday and was agreeably surprised to find the temperature about 60 degrees. It was quite a relief after our experience at Tulsa but you no doubt become accustomed to it and, further, as you say, dress accordingly.

Referring to our several conversations with reference to running some of the exchanges through your office, wish to say that I discussed this with Walter Ware at St. Louis last Friday and while at the present moment I am no further to a solution than I was at Tulsa, I am bearing it in mind.

Give some consideration to the following:

When you buy gasoline from Group 3 for Wadhams, Chicago Division and Lubrite, other than your purchases from White Eagle, is there not a possibility that we may exchange a cargo of gasoline Magnolia at Beaumont versus Empire at Ponca City? This would in effect permit all of our units to be selling gasoline of our own manufacture and no doubt supply them with gasoline cheaper than you could purchase it from various suppliers and at the same time give our Magnolia unit a manufacturing profit. This could even apply to any purchases that White Eagle may make when their production does not balance their sales.

I realize that this will eliminate your purchasing from smaller refineries in Oklahoma who may need relief, consequently leaving distress gasoline on the market and thus creating a bad situation locally. However, it is a thought that you might keep in mind for the occasion may arise for such an exchange as suggested.

Again I want to say to you and Peg that I very much appreciate the kindness and hospitality which you always extend to me while I am in Tulsa. Trust that the very near

future will see you in New York when I will be able to reciprocate.

With my very kindest regards to you both, I am,

Yours very sincerely,

Mr. W. P. Jacobi,
440 Philcade Building,
Tulsa, Okla.

4791 GOVERNMENT EXHIBIT NO. 87.

Letterhead of Wadhams Oil Company, Tulsa, Oklahoma.

September 3, 1935

Dear Jack:

Yours of August 27, received and I was very very glad to hear from you.

About Empire-Ponca City-Magnolia, possibly a trade like this can be worked out, assuming of course that Empire can use the additional gasoline from Mag and that they can furnish a similar quantity from Okmulgee.

Of course the gasoline purchased from Omar, etc., has helped the market structure here decidedly in the past sixty days and has enabled Socony to do its part in the inter-refinery buying. I suppose this must be given consideration also in view of the importance of the Group 3 tank car prices to our plants.

I am of course not saying anything to Mr. Tuttle about this deal until I hear from you further. However, if agreeable I would like to feel him out as to the possibility of his shipping gasoline North from Okmulgee, Empire taking gasoline from Magnolia in exchange.

If you want me to go ahead with them, will you advise me how much of a discount below the low prices of the Chicago Journal of Commerce on 63/70 and 62 & below octane you feel we should get from Empire f.o.b. Okmulgee.

Also, what Empire's price would be on the gasoline they take from Magnolia at Beaumont and the grade they will have to take.

It is always a great pleasure for us to have you with us in Tulsa and I assure you you are not forgotten when old 7:50 pulls out.

Sincerely yours,
Paul

Mr. J. H. Romer
Socony-Vacuum Oil Company, Inc.
26 Broadway
New York City, N. Y.

4792 GOVERNMENT EXHIBIT NO. 88.

September 16, 1935.

Mr. W. P. Jacobi,
Wadhams Oil Company,
440 Philcade Building,
Tulsa, Oklahoma.

Dear Mr. Jacobi:

As I have been away from the office, this is the first opportunity I have had to answer your letter of September 3rd.

As you say, serious consideration must be given to the importance of purchasing gasoline in Group 3 if it is necessary to stabilize prices and, therefore, it is very questionable if a great deal of exchanging can be done with Empire's Group 3 plants versus Beaumont.

White Eagle, as you know, has already advised you and our different units that they would like to have shipping orders after November 1st. and, therefore, I think it would be a bad time to approach Mr. Tuttle because actually we would have nothing that could be offered in the way of a trade. It would also be well for us to discuss the matter before carrying it further.

I do not know on just what basis we could trade Okmulgee versus Beaumont. This would also need careful consideration.

There is no question but that Empire can use additional gasoline at Beaumont as they are constant buyers. We just turned another cargo down last week because none of our units could handle it.

Would suggest that you digest the matter further until the next time I see you.

Very truly yours,
J. H. Romer

4793 GOVERNMENT EXHIBIT NO. 93.

Letterhead of Skelly Oil Company
Kansas City, Mo.

December 27, 1935

Mr. J. F. Nagle
Skelly Oil Company
Tulsa, Oklahoma

Dear Mr. Nagle;

I have yours of the 24th on the subject of the Russell Refining Company.

I had hoped that this refinery's runs might be reduced in line with the Program Committee. In view of the location of this refinery, any portion of these 45 cars a month may cause some concern in that territory, especially for the reason that it has an advantage on trucking rates, as well as rail rates, into western Kansas, Colorado, and Nebraska.

While we are not anxious to be the guardian of any additional refineries, I would much prefer to take some of this gasoline rather than the gasoline in Oklahoma or Texas, as there is at least ½¢ or more a gallon to our advantage in freight rates.

The point is that this gasoline is right in the heart of our territory, where we have station investments, and unless there is some legitimate home for this product, it may cause embarrassment in the market.

You might discuss this again with Bourque, and get his ideas as to how best to handle this matter.

Very truly yours,

W. T. Atkins

4794 GOVERNMENT EXHIBIT NO. 94.

December 24, 1935.

Mr. W. T. Atkins,
Kansas City.

Following receipt of your letter of the 23d this morning, in regard to Russell Refining Company, I called Mr. Bourque, of the Association, who told me that these people were running on some of their own crude, and that of a few associates, for which crude there is, or would be, no other market at this time.

According to Bourque, they are running around eight or nine hundred barrels of crude a day, getting around 37% gasoline recovery, which means that their output of gasoline is around 300 barrels a day, or forty five cars a month. When they first started up two or three months ago, they applied for membership in the Association, but were told that they would have to "prove" themselves first, that is, that they would have to show a willingness to play ball in the matter of their operations, both refining and marketing. He hasn't heard from them but once since then, and that was when their sales manager, a chap by the name of Whittaker, he thinks, called him a few weeks ago, to tell him that he had two cars of gasoline that he wanted somebody to take. At that time he also told Bourque that, of his forty five cars of gasoline a month, he had a market for thirty, which would leave him with "only" fifteen cars surplus. Not bad, said Bourque, except that it was a surplus of 33⅓%, which was plenty bad, looking at it in that light, and he told him so.

At any rate, Bourque has promised them that he will give them some consideration in the picture for January, but that he doesn't know yet, and probably won't until the last couple of days of this month, what he can do for them. And he has told me that, when he has developed the situation a little further, he will get in touch with either you or me to let us know what it is.

Incidentally, I might mention that my conversation with Bourque afforded me the opportunity to get the thought over to him that I mentioned to you when you were down here last week, i. e., that he, the committee, and the other buying refiners ought to remember that, on every car of gasoline that we take from Oklahoma and Texas refiners, we lose our share of the pipe line transportation profit, which, considering that most of the destinations are distant ones, amounts to around 3/16¢ per gallon. He doesn't know what you and I know—and, of course, I didn't tell him—that that loss is largely, if not entirely, made up by reason of the fact that all of this outside gasoline from these Texas and Oklahoma refiners is shipped in our cars.

J. F. Nagle

4795 GOVERNMENT EXHIBIT NO. 95.

January 9, 1936

Mr. Emby Kaye
Tulsa, Oklahoma

Dear Mr. Kaye:

Up to the present time there has been no change in the status of our gasoline purchasing during the last few months which is only for the account of absorption of excess stocks in our immediate territory. We are buying none for our own requirements on account of freight rates or prices with the exception of probably a few points into Oklahoma.

On the present program, we are obligated for about 50 or 60 cars a month of outside material, largely third grade which is rather burdensome at this season of the year when our sales of third grade are the lowest.

Yours very truly,

W. T. Atkins

cc: Emby Kaye,
El Dorado, Kansas

4796 GOVERNMENT EXHIBIT NO. 96.

Letterhead of Skelly Oil Company
Kansas City, Mo.

January 9, 1936

Mr. J. F. Nagle
Tulsa, Oklahoma

Dear Mr. Nagle:

I wish to acknowledge your letter on obligations in the buying program of 10 cars 70 Octane and 55 cars of U. S. Motor. I trust that you will be able to use some of this U. S. Motor in Oklahoma, even at points where you are buying or exchanging gasoline. It may be that we will have to eliminate some exchanges inasmuch as our sales of third grade gasoline at this season of the year are so low that we cannot move anything like this volume of this product to our own stations.

In some instances we may have to start with a small amount of freight differentials, temporarily at least until the consumption of third grade gasoline shows a higher rate of consumption as that is about the only way we can

relieve the situation since our third grade gasoline sales only amount to 9% of our retail business.

Yours very truly,

W. T. Atkins

4797 GOVERNMENT EXHIBIT NO. 97.

January 22, 1936

Danciger Oil & Refineries, Inc.,
Tulsa, Oklahoma.

Mr. W. T. Atkins,
Kansas City.

Dear Mr. Atkins:

You will recall that I wrote you, on January 8th, in regard to the specifications of the third grade gasoline which Danciger is furnishing us on our Buying Program purchases, as shown on their distillation report covering one car which was shipped to our jobber at Pampa. The distillation report, which showed very good specifications, was sent to you with the letter.

In my letter I stated, also, that I was having these people send a sample of their product to Mr. Todd for his analysis. This morning I received Mr. Todd's report, a carbon copy of which is attached. With the possible exception of color which is twenty-eight, I would say that this is unusually good third grade gasoline, the octane number and the end point, in particular, being worthy of notice.

Did you arrange with Mr. Poland to have a check sample taken by one of our bulk station agents, to whom we are shipping this material, to be sent to Mr. Todd for his analysis? If you haven't then I can save you the trouble by having our Pampa jobber send in a sample from the next car we ship him, which will probably be sometime this week.

Yours very truly,

J. F. Nagle

cc Mr. Poland

4798 **GOVERNMENT EXHIBIT NO. 98.**

Letterhead of Skelly Oil Company
Kansas City, Mo.

January 21, 1936

Miss Clara Gartman
Tulsa, Oklahoma

Mr. Underwood has asked me to confirm to you the understanding reached in his conversation with Mr. Nagle, Mr. Tuttle, and yourself, covering the purchase of a total of ten cars of Powermax gasoline from the Russell Refining Company, Russell, Kansas, over January, 1936.

As you know, we have already issued one purchase order covering two cars and we are now sending you requisitions covering eight more cars making a total of ten cars for the month. The attached shipping instruction, #24586, for order Skelly Oil Company notify Lake Elmo Oil Company, Lake Elmo, Minnesota, dated January 18, applies against the eight cars requested today.

These ten cars will no doubt be credited against our January quota for outside gasoline for the month of January.

A. H. Pendergrass

cc: J. F. Nagle, Tulsa, Oklahoma

4799 **GOVERNMENT EXHIBIT NO. 99.**

Letterhead of Skelly Oil Company
Kansas City, Mo.

November 5, 1935

Mr. J. F. Nagle
Tulsa, Oklahoma

I am enclosing a report received from Mr. Todd on a sample of third grade gasoline sent in from our Hamburg, Iowa tank station. This sample was taken directly from our bulk storage tank. This material was shipped to Hamburg on September 24 from the Waggoner Refining Company, Electra, Texas. The car number was UTLX 43812. It was unloaded on September 28 and at that time there was only 130 gallons in the storage tank so that what we have in the storage tank at the present time could not have been contaminated with anything else.

You can see from Mr. Todd's report that what we got in

this instance was "lousy". It is going to be necessary that we ship another car of our own material into Hamburg to spike up this material, which will give us 7 or 8 months supply of third grade gascline or maybe more. I realize that under this buying program, we can't always do what we want to but just thought I would pass this on to you for whatever it might be worth.

L. H. Poland

cc: W. T. Atkins

4800 GOVERNMENT EXHIBIT NO. 100.

Tulsa, Oklahoma
November 20, 1935

Mr. L. H. Poland,
Kansas City.

I sure hated to get the news you gave me in your November 5th letter, regarding the quality of the Powermax Gasoline shipped by Waggoner Refining Company to our station at Hamburg, Iowa, last September 24th.

Of course, there isn't anything we can do about that now, but, just to show you how we try to keep on top of these things, I am sending you, attached, an exchange of wires between ourselves and the Waggoner people last August 19th, relating to a distillation report received from them covering gasoline shipped to ourselves at Davenport, Iowa, on the 15th. If, in spite of our keeping a close tab on specifications of shipments, whenever we can, as in this case, these outside refiners ship off specification material, about the only thing we can do is refuse to take any of their stuff when the Buying Program Committee tells us they have to move some, or to turn the refiner down completely when and if he has the nerve to call us up and solicit some business after such an instance.

J. F. Nagle

4801 GOVERNMENT EXHIBIT NO. 101.

Tulsa, Oklahoma
January 8, 1936

Mr. W. T. Atkins,
Kansas City.

Dear Mr. Atkins:

I was under the impression that I had given you the line-up on our purchase obligations for January, under the

Buying Program as they were given to me by Mr. Tuttle, of Empire, about two weeks ago. Evidently I overlooked giving it to you, personally. At any rate, they are as follows:

Rock Island	10 cars	70 octane "Q"
Wilcox	10 "	U. S. Motor
Danciger	10 "	U. S. Motor
Cusco	25 "	U. S. Motor
Miscellaneous	10 "	U. S. Motor

The twenty-five from Cusco are approximate; if Cusco's position requires our taking a few more than that number, or not requiring us to take that number, that is all right with the Committee, if it is all right with us. The miscellaneous ten cars are intended to take care of a portion of such gasoline as might come up unexpectedly from time to time during the month; and, included in the "total Miscellaneous" for the entire group are fifteen cars from Russell.

According to Mr. Bourque, whom I talked to today, the Russell people won't have more than fifteen cars, if they have anything at all, this month, and I told him that we could use their material to lots better advantage than Oklahoma or Texas material. Bourque will let me know when if any of this Russell gasoline comes up, and, of course, I will pass it along to you immediately.

Yours very truly,

J. F. Nagle

4802 GOVERNMENT EXHIBIT NO. 102.

Letterhead of Empire Oil & Refining Company,
Tulsa, Oklahoma.

March 18, 1935

Mr. Jim Nagel
Skelly Oil Co.
City

Dear Mr. Nagel:

Don't forget to report to the Western Petroleum Refiners Association all purchases of gasolene, with quantity and price each week.

Yours very truly,
Empire Oil & Refining Company
O. J. Tuttle
Sales Manager

GOVERNMENT EXHIBIT NO. 103.

October 22, 1935

Mr. A. V. Bourque,
Western Petroleum Refiners Association,
Cosden Bldg.,
Tulsa, Oklahoma.

Dear Mr. Bourque:

Since my letter to you of October 11th, we have purchased gasoline as follows:

Date	Purchased from	Quantity & Grade	Price
October 16th	Triangle Producing & Refining Co.,	1 car U. S. Motor	4¾¢ Group Three
October 17th	" " " " "	2 cars " "	4⅝¢ " "
October 21st	" " " " "	2 " " "	4⅝¢ " "

Yours very truly,

JFN:el

NOTE:—*It is stipulated* in Exhibits 714 and 742 that this letter was written by J. F. Nagle and received by A. V. Bourque.

GOVERNMENT EXHIBIT NO. 104.

October 11, 1935

Mr. A. V. Bourque,
Western Petroleum Refiners Association,
Cosden Building,
Tulsa, Oklahoma.

Dear Mr. Bourque:

Since my letter to you of September 20th, we have purchased gasoline as follows:

Date	Purchased from	Quantity & Grade	Price
October 7th	Taxman Refining Co.	38 cars U. S. Motor	4¾¢ Group 3
October 7th	Wilcox Oil & Gas Co.	12 " " "	4¾¢ " "
October 10th	Cusco Oil & Refining Co.	20 " " "	Ave. Journal, Chase, Kansas

CG:el

Very truly yours,

NOTE:—*It was stipulated* in Exhibits 714 and 742 that the group of Exhibits numbered 104-118, inclusive, were written by Clara Gartman, tank car purchasing agent for Skelly Oil Company during 1935 and 1936, and received by A. V. Bourque.

Government Exhibit No. 104.

 GOVERNMENT EXHIBIT NO. 105.

September 20, 1935

Mr. A. V. Bourque,
Western Petroleum Refiners Association,
Cosden Building,
Tulsa, Oklahoma.

Dear Mr. Bourque:

Since my letter to you of September 11th, we have purchased gasoline as follows:

Date	Purchased from	Quantity & Grade	Price
September 12th	Taxman Refining Co.	10 cars U. S. Motor	4¾¢ Group 3
" 16th	Wilcox Oil & Gas Co.	5 " " "	4¾¢ " "
" 16th	Waggoner Refining Co.	5 " " "	4¾¢ " "
" 17th	Cusco Oil & Refining Co.	10 " " "	Ave. Journal Chase, Kansas
" 20th	Waggoner Refining Co.	10 " " "	4¾¢ Group 3
" 20th	Taxman Refining Co.	10 " " "	4¾¢ " "

Yours very truly,

CG:el

GOVERNMENT EXHIBIT NO. 106.

September 11, 1935.

Mr. A. V. Bourque,
Western Petroleum Refiners Association,
Coeden Building,
Tulsa, Oklahoma.

Dear Mr. Bourque:

Since my letter to you of September 5th, we have purchased gasoline in our Tulsa office as follows:

Date	Purchased from	Quantity & Grade	Price
Sept. 5th	Taxman Refining Co.	10 cars U. S. Motor	4¾¢ Group 3

We find that we have omitted to furnish you with the information covering our purchases in Kansas since July. They cover third grade gasoline and are as follows:

Date	Purchased from	Quantity & Grade	Price
July 3rd	Cusco Oil & Refining Co.	3 cars U. S. Motor	Ave. Journal f. o. b. Chase
" 7th	" " " " "	3 " " "	" " " "
" 25th	" " " " "	4 " " "	" " " "
" 30th	" " " " "	5 " " "	" " " "
August 12th	" " " " "	5 " " "	" " " "
" 15th	" " " " "	5 " " "	" " " "
" 22nd	" " " " "	10 " " "	" " " "
September 5th	" " " " "	10 " " "	" " " "

Yours very truly,

CG:el

Government Exhibit No. 106.

2707

GOVERNMENT EXHIBIT NO. 107.

September 5, 1935

Mr. A. V. Bourque,
Western Petroleum Refiners Association,
Coseden Building,
Tulsa, Oklahoma.

Dear Mr. Bourque:

Since my letter to you of July 27th, we have purchased gasoline as follows:

Date	Purchased from	Quantity & Grade	Price
July 27th	Taxman Refining Co.	10 cars U. S. Motor	4¾¢ Group 3
" 31st	Tyreco Refining Co. No. 2	10 " " "	4⅝¢ East Texas
August 2nd	Taxman Refining Co.	10 " " "	4¾¢ Group 3
" 6th	" " "	15 " " "	4¾¢ " "
" 12th	" " "	10 " " "	4¾¢ " "
" 12th	Waggoner Refining Co.	10 " " "	4¾¢ " "
" 16th	Marimac Oil Co.	10 " " "	4⅝¢ " "
" 22nd	Taxman Refining Co.	5 " " "	4¾¢ " "
" 22nd	Panhandle Refining Co.	10 " " "	4½¢ " "
" 28th	Rock Island Refining Co.	10 " " "	4¾¢ " "
" 28th	" " " "	10 " 70 Octane	5⅝¢ " "
" 28th	Taxman Refining Co.	5 " U. S. Motor	4¾¢ " "
" 30th	Grogan Oil Co.	10 " " "	4⅝¢ " "

Yours very truly,

CG:el

(Handwritten Notation)
"file WPRA"

GOVERNMENT EXHIBIT NO. 108.

June 21, 1935

Mr. A. V. Bourque;
Western Petroleum Refiners Association,
Coeden Building,
Tulsa, Oklahoma.

Dear Mr. Bourque:

Since our last report to you, we have purchased third grade gasoline as follows:

Date	Purchased from	Quantity & Grade	Price
June 13th	Dale W. Moore	5 cars, U. S. Motor	4⅝¢ Group 3
" 14th	Taxman Refining Co.	5 " " "	4¾¢ " 3
" 19th	Simms Oil Co.	9 " " "	4⅝¢ " "
" 19th	Taxman Refining Co.	15 " " "	4¾¢ " "
" 20th	Tyreco No. 2 Refinery	5 " " "	4⅝¢ East Texas

Yours very truly,

CG:al

Government Exhibit No. 108.

July 27, 1935

Mr. A. V. Bourque,
Western Petroleum Refiners Association,
Cosden Building,
Tulsa, Oklahoma.

Dear Mr. Bourque:

Since my letter to you of June 21st, we have purchased gasoline as follows:

Date	Purchased from	Quantity & Grade	Price
June 20th	Wilcox Oil & Gas Co.	4 cars U. S. Motor	4¾¢ Group 3
" 24th	" " " "	5 " " "	4¾¢ " "
" 26th	Taxman Refining Co.	5 " " "	4¾¢ " "
July 2nd	" " "	10 " " "	4¾¢ " "
" 3rd	Texas Oil Products	10 " " "	4¾¢ " "
" 5th	Taxman Refining Co.	2 " " "	4¾¢ " "
" 8th	Wilcox Oil & Gas Co.	5 " " "	4¾¢ " "
" 10th	Taxman Refining Co.	5 " " "	4¾¢ " "
" 10th	Gilliland Refining Co.	10 " " "	4¾¢ East Texas
" 12th	Taxman Refining Co.	5 " " "	4¾¢ Group 3
" 15th	" " "	10 " " "	4¾¢ " "
" 18th	Wirt Franklin Oil Corp.	10 " 70 octane	5¾¢ " "
" 22nd	Taxman Refining Co.	15 " U. S. Motor	4¾¢ " "
" 23rd	" " "	10 " " "	4¾¢ " "
" 25th	Waggoner Refining Co.	16 " 70 octane	5¾¢ " "
" 25th	Wirt Franklin Oil Corp.	10 " " "	5¾¢ " "
" 25th	Taxman Refining Co.	10 " U. S. Motor	4¾¢ " "

Yours very truly,

GOVERNMENT EXHIBIT NO. 110.

Mr. A. V. Bourque,
Western Petroleum Refiners Association,
Cosden Building,
Tulsa, Oklahoma.

June 13, 1935

Dear Mr. Bourque:

Since our last report to you, we have purchased third grade gasoline as follows:

Date	Purchased from	Quantity & Grade	Price
June 6th	Hercules Oil Co.	5 cars, U. S. Motor	4¾¢ Group 3
" 6th	Taxman Refining Co.	10 " " "	4¾¢ " "
" 10th	Taxman Refining Co.	6 " " "	4¾¢ " "
" 11th	Wilcox O. & G. Co.	5 " " "	4¾¢ " "
" 11th	Simms Oil Co.	10 " " "	4¾¢ " "
" 12th	Wilcox O. & G. Co.	5 " " "	4¾¢ " "

CG:el

Yours very truly,

Government Exhibit No. 110.

GOVERNMENT EXHIBIT NO. 111.

June 5, 1935

Mr. A. V. Bourque,
Western Petroleum Refiners Association,
Cosden Building,
Tulsa, Oklahoma.

Dear Mr. Bourque:

Confirming telephone conversation with your office today, you were advised that we have purchased gasoline as follows:

Date	Purchased from	Quantity & Grade	Price
May 23rd	Taxman Refining Co.	5 cars, U. S. Motor	4⅝¢ Group 3
" 24th	Sunray Oil Co.	1 car, 70 octane	5½¢ " "
" 24th	Omar Refining Co.	1 " " "	5½¢ " "
" 24th	Wilcox O. & G. Co.	1 " " "	5½¢ " "
" 28th	Simms Oil Co.	5 cars, U. S. Motor	4⅝¢ " "
" 28th	Wilcox O. & G. Co.	5 " " "	4⅝¢ " "
" 29th	Taxman Refining Co.	10 " " "	4⅝¢ " "
June 4th	Taxman Refining Co.	5 " " "	4¾¢ " "

Yours very truly,

CG:P

4812 GOVERNMENT EXHIBIT NO. 112.

May 17, 1935

Mr. A. V. Bourque,
Western Petroleum Refiners Association,
Cosden Building,
Tulsa, Oklahoma.

Dear Mr. Bourque:

On May 6th we purchased 10 cars of U. S. Motor Gasoline, below 62 octane, from Taxman Refining Company, Wichita Falls, at 4⅜¢ per gallon, f. o. b. Group Three. On May 10th we purchased an additional 10 cars on the same basis from Taxman.

On May 15th we purchased 10 cars of U. S. Motor Gasoline, below 62 octane, from Simms Oil Company at 4⅝¢ per gallon, f. o. b. Group Three.

On May 16th we purchased 15 cars of 70 octane gasoline from Waggoner Refining Company at 5⅜¢ per gallon, f. o. b. Group Three.

These purchases are to be credited to Skelly Oil Company on the inter-refinery buying agreement.

Yours very truly,

CG:P

4813 GOVERNMENT EXHIBIT NO. 113.

May 6, 1935.

Mr. A. V. Bourque,
Western Petroleum Refiners Association,
Cosden Building,
Tulsa, Oklahoma.

Dear Mr. Bourque:

On April 30th we purchased 10 cars of U. S. Motor Gasoline, below 62 octane, from Taxman Refining Company, Wichita Falls, at 4⅜¢ per gallon, f. o. b. Group Three. On May 2nd we purchased an additional 5 cars on the same basis from Taxman.

These purchases are to be credited to Skelly Oil Company on the inter-refinery buying agreement, which is now in effect.

Yours very truly,
Skelly Oil Company.

CG:P

4814 **GOVERNMENT EXHIBIT NO. 114.**

April 23, 1935.

Mr. A. V. Bourque,
Western Petroleum Refiners Association,
Cosden Building,
Tulsa, Oklahoma.

Dear Mr. Bourque:

On April 15th we purchased 2 cars of 68-70 octane gasoline from Sunray Oil Company at 5⅛¢ per gallon, f. o. b. Allen, Oklahoma, and on April 18th we purchased 2 additional cars of the same material from the same shipper at 5¼¢ per gallon, f. o. b. Allen, Oklahoma.

On April 22nd we purchased 15 cars of U. S. Motor Gasoline, below 62 octane, from Taxman Refining Company, Wichita Falls, Texas, at 4⅜¢ per gallon, f. o. b. Group Three.

These purchases are to be credited to Skelly Oil Company under the inter-refinery buying agreement which is now in effect.

Yours very truly,

CG:P

4815 **GOVERNMENT EXHIBIT NO. 115.**

April 9, 1935.

Mr. A. V. Bourque,
Western Petroleum Refiners Association,
Cosden Building,
Tulsa, Oklahoma.

Dear Mr. Bourque:

On April 5th we purchased 5 cars of 68-70 octane gasoline from Sunray Oil Company for immediate shipment at 4⅞¢ per gallon, f. o. b. Allen, Oklahoma. Today we purchased 1 car of the same material from the same refiner at 5¢ f. o. b. Allen.

These purchases are to be credited to Skelly Oil Company under the general inter-refinery buying agreement which is now in effect.

Yours very truly,
Skelly Oil Company.

CG:P

4816 **GOVERNMENT EXHIBIT NO. 116.**

April 2, 1935.

Mr. A. V. Bourque,
Western Petroleum Refiners Association,
Cosden Building,
Tulsa, Oklahoma.

Dear Mr. Bourque:

We purchased yesterday 1 car and today 5 cars of 68-70 octane gasoline from Sunray Oil Company for immediate shipment at 4⅞¢ per gallon, f. o. b. Allen, Oklahoma.

We purchased an additional 5 cars of 68-70 octane gasoline from Wilcox Oil & Gas Company for immediate shipment at 4⅞¢ Group Three.

These purchases are to be credited to Skelly Oil Company under the general inter-refinery buying agreement which is now in effect.

Yours very truly,
Skelly Oil Company.

CG:P

4817 **GOVERNMENT EXHIBIT NO. 117.**

March 29, 1935.

Mr. A. V. Bourque,
Western Petroleum Refiners Association,
Cosden Building,
Tulsa, Okla.

Dear Mr. Bourque:

We have purchased today one car of 68-70 octane gasoline from Sunray Oil Company for rush shipment from their refinery at Allen, Oklahoma. The price of this purchase was 4⅞¢ per gallon, f. o. b. Allen.

This purchase is to be credited to Skelly Oil Company under the General Inter-refinery Buying Agreement which is now in effect.

Yours very truly,
Skelly Oil Company.

CG:P

4818 **GOVERNMENT EXHIBIT NO. 118.**

March 19, 1935.

Western Petroleum Refiners Association,
Cosden Building,
Tulsa, Oklahoma.

Attention: Mr. A. V. Bourque.

Gentlemen:

Confirming our telephone conversation yesterday, you were instructed that, under the Inter-Refinery Buying Program now in effect, Skelly Oil Company should be credited with buying 6 cars of U. S. Motor Gasoline, 63-70 octane, on March 8th, at 4⅝¢ per gallon Group Three, from Sunray Oil Company.

We have contacted Sunray Oil Company twice since that time, the last time being this morning, and were advised that orders were coming in from their regular trade to the extent that they did not need any additional orders from us at this time.

On March 8th, and again yesterday, we contacted Rock Island Refining Company, Duncan, Oklahoma, and were informed both times that orders from their regular contracted customers would not permit them to accept any additional business.

Yours very truly,
Skelly Oil Company.

CG:P

4819 **GOVERNMENT EXHIBIT NO. 120.**

May 7, 1935.

Harold Rohrer,
McAlester, Okla.

Mr. W. T. Atkins,
Kansas City.

Dear Mr. Atkins:

Our contract with Harold Rohrer at McAlester specifies that the f. o. b. point is to be Tulsa, from which the freight rate is 15¢ per cwt. McAlester is one of the places in Oklahoma on which freight savings effected by our exchange with The Texas Company are the greatest, and, therefore, is one of the places, shipments to which have

brought about the one-sided result in freight savings as between ourselves and The Texas Company on that exchange. If we are to attempt to bring about a realignment of our shipping arrangements down here in Oklahoma, in order to keep our freight savings on the Texas exchange more nearly in line with theirs, McAlester is one of the places to which we should ship from some other point. I believe I have worked out a plan where we can kill about four birds with one stone by shipping to McAlester from Sunray at Allen.

First, we are, as you know, buying 70 octane gasoline from Sunray on this inter-refinery buying program. Since we don't make much, if anything, on that gasoline when we ship it up north, but probably lose on it, inasmuch as we deprive ourselves of the pipe line transportation profit as well as the freight differential El Dorado under Group Three, we have been shipping it mostly to our tank stations at Ada and Wewoka, Oklahoma, thereby saving freight as compared with shipping from Tulsa on the Texas exchange, besides which we save close to one eighth cent per gallon on tank car expense by getting the Sunray people to make these shipments in blank tank line cars. Now, by including Rohrer's requirements of Aromax on our arrangement with Sunray, we would have about ten cars a month to buy from those people. This is about what we would ordinarily have to take from them on the buying program at a price which would ordinarily be above the market. If we were to take that much from them each month, independent of the buying program, there wouldn't by anything to take from them on the program, so what would be sweeter than discharging that buying obligation by arranging to take about ten cars a month for Ada, Wewoka, and McAlester at a price under the market? I have gone ahead on the assumption that that would be the thing to do, and I have arranged with the Sunray people to buy that much, on an open agreement,

each month at one eighth cent under the low in the
4820 Journal for the middle octane grade on date of shipment, shipment to be made in their cars. This, then saves us at least one eighth cent per gallon on what we would probably have to take from them on the buying program, and, by moving the stuff to Oklahoma destinations, permits us to ship our own stuff out of the pipe line to the destinations that some of this Sunray material has been going to in the past.

Rohrer will take about three cars a month, so, by shipping to him from Sunray at Allen, instead of from Texas at Tulsa, the one-sidedness of our freight savings on that exchange will be reduced by about $250.00 per month on the

Rohrer business alone, without our losing anything on the switch. By letting Rohrer get the benefit of the lower rate from Allen to McAlester, it should enable him to catch up somewhat on his account with us, which will be good news to Joe Powell, although Rohrer's account isn't in bad shape by any means. It will be understood, of course, by Rohrer, that, in making this voluntary concession to him, we are not committing ourselves to ship from Sunray, or on the Allen rate, any longer than we see fit. This concession to him can readily be made without its costing us a penny, and it will be helping him to be a better and more satisfied customer, not that he isn't a good customer now, and a satisfied one, but, rather, this will make him more so.

Summing it all up, therefore, here is what we will be accomplishing: (1) We will be discharging our buying obligation to the Sunray people on the buying program and getting a quarter of a cent or so better price that we would have to pay on that program arrangement; (2) we will be helping to bring about the equalization of freight savings on The Texas Company Exchange Agreement that we've got to keep in mind; (3) we will be saving the tank car expense on shipments to Rohrer at McAlester, which amount to around $6.00 per trip, by supplying Rohrer out of Allen in Sunray's blank tank line cars; and (4) we will be giving Rohrer a break without our being anything out of pocket ourselves, this break thus enabling him to bring his account with us to a more nearly current basis, or, at least, in line with the amount of credit Joe Powell thinks he is entitled to.

We are moving a car of Aromax from Allen to Rohrer tomorrow. If all of the foregoing looks all right to you, will you kindly tell Dow Williams that the f. o. b. basis on the order (Order #3494) is Allen, Oklahoma, and that, until further notice, we can consider the f. o. b. basis on which we shall ship Rohrer is "f. o. b. point of origin, freight rate not to exceed Tulsa rate?"

Yours very truly,

NOTE: *It is stipulated* in Exhibit 714 that this was written by J. F. Nagle and received by W. T. Atkins.

4821 **GOVERNMENT EXHIBIT NO. 121.**

Tulsa, Oklahoma
September 11, 1935.

Mr. A. H. Pendergrass,
Kansas City.

Following receipt of the information from you by telephone this afternoon that the dates on several of the bills of lading from Hurricane Refining Company (Grogan Oil Company) did not check with the shipping dates we had given you on these cars. I immediately got in touch with Grogan's local office, to get an explanation for their having given us those phoney shipping dates.

They pleaded that this was the first information they had that the cars were not actually shipped on the dates they gave us, and, as you might expect, they apologized profusely for it. They assured us, of course, that they would find out the reason for this delay, as well as the reason for the refinery's having given such erroneous information.

In your consideration of this delay, it should be borne in mind that it wasn't really four to five days—that is, from September 3rd, the date of your shipping instructions, to September 7th and 8th, the actual shipping dates; at least two days of the delay was undoubtedly due to shipments being made in our cars, not theirs. You know how that is: We get the orders from you in the afternoon; we give them to the shipper; their switch, spotting empties for next day's loading, had already been lined up and made, so that our cars couldn't be spotted until the next day, which meant loading that night and shipping the following day, or, the second day after receipt of your order. Had our order not been booked for shipment in our cars, these people undoubtedly would have been in position to get these cars going on the 4th, or certainly, not later than the 5th.

However, there was no excuse for their reporting car numbers on the 6th and 7th, and not actually making shipments until a day or two later, so that, unless they can give a satisfactory explanation, we shall just have to check them out, as far as further purchases are concerned. This purchase, incidentally, was one of those that we made at the request of the Buying Program Committee, the shipper being one of those East Texas outfits that are not always to be relied on a hundred per cent.

J. F. Nagle

cc Mr. L. H. Poland

4822 GOVERNMENT EXHIBIT NO. 122.

Tulsa, Oklahoma
August 27, 1935.

Mr. L. H. Poland,
Kansas City, Mo.

We are purchasing today from Rock Island Refining Company, Duncan, Oklahoma, 10 cars of Powermax (Purchase Order No. 187914) and 10 cars of 70 octane Aromax (Purchase Order No. 187915), these purchases being made in connection with the inter-refinery buying program which is still in effect, the Rock Island outfit being one of the babies placed in our lap last spring when this thing was inaugurated.

The specifications on these two products will run as follows:

	Aromax (leaded)	Powermax
Gravity	61-63	60-61
I. B. P.	95-100	98-102
10% point	145-150	155-160
End point	398-402	400-405
Octane number	70	52-54

Sulphur content on both products less than .1 of 1%; gum content on both products 10 mmg., or less; color on the U. S. Motor 28 to 30 plus, and, on Aromax, dyed our orange.

This material has been bought on these specifications. I suggest, in order to forestall any possible complaint from any of our agents to whom it might be shipped, that you instruct two of them to send samples (one of them to send a sample of Powermax, and the other to send a sample of Aromax) to the refinery for complete analysis. Only in that way will we know whether this outfit is shipping the kind of material we have purchased. We have no reason to doubt that they will ship anything but first class material, but I don't want to have some agent belly-aching about the quality of the material he received (simply because it was shipped from some other place besides our own refinery or the pipe line terminal) after he has unloaded the car, and without giving us or the shipper a chance to see whether the complaint is justified, or whether the agent is just exercising his constitutional right to gripe.

I have in mind particularly your letter of August 7th regarding the trouble your agents at Mason City, Lebanon,

and Boone, had in unloading gasoline shipped from Sunray at Allen. To me, it seems strange indeed that
4823 these agents should have had to spend several nights pumping these cars and going to so much trouble before they got the cars unloaded when, for the past several months, this same material has been shipped to two of our bulk stations and two of our jobbers way down south in Oklahoma without a single complaint as to difficulty in unloading. It is true that the 10% point on this gasoline was about 10 to 12 degrees lower than our own specifications, but the material that was shipped to the above destinations was the same as that shipped to Ada, Wewoka, Durant, and McAlester, Oklahoma.

J. F. Nagle

cc Mr. W. T. Atkins
Mr. Emby Kaye

4824 GOVERNMENT EXHIBIT NO. 123.

Tulsa, Oklahoma,
November 15, 1935.

Mr. L. H. Poland,
Kansas City.

Just to let you know that once in a while we do get a break, I am attaching hereto distillation tests covering the first four cars of Powermax shipped by Premier Oil Refining Company, Longview, Texas, applying on our Purchase Order No. 192255.

You will notice that these distillation tests show the gravity to be 61.7 to 63.5, end point under 400, octane 60 plus, and 10% point 136 to 138. I know that you will be glad to have this information and to know that this material should make a very good grade of Powermax for us, especially for this time of the year.

These shipments apply against a ten car purchase from these people and are all being shipped from East Texas. The purpose of the purchase was to support the current spot market.

Clara Gartman

4825 **GOVERNMENT EXHIBIT NO. 124.**

October 17, 1935.

Mr. L. H. Poland,
Kansas City.

Reference your letter of the 11th, file 85:12.

While I certainly can appreciate that we are in a tight spot in the matter of keeping on the approved list of United Laboratories, when so much of our Powermax Gasoline is being supplied from outside refineries, I hardly know what to do about it.

As you probably know, we don't have much choice as to whose material we are to take, when we purchase outside third grade gasoline in connection with the Buying Program Committee's operations. On such purchases, we have refineries "assigned" to us, and, as you might expect, such refineries are small outfits who just make motor gasoline, and don't make any effort at all to make their product suitable for use in pressure gas appliances. Even if we did have some choice, it wouldn't do us much good because, as far as making an extra fine product suitable for this special use is concerned, they just wouldn't be interested, for they aren't that kind of refiners. Now, that goes for most of our Oklahoma refiners, and, with that being true, what can you expect from outfits in the Panhandle and North Texas, to say nothing of East Texas with all its fly-by-night outfits? You probably know that, out of about twelve to fifteen first class or good refiners here in Oklahoma, only six are on the approved list of United for Oklahoma, such concerns as Barnsdall, Phillips, Sinclair, and Tidal being among the missing. Their products might pass muster with United, but they aren't on the list that I have.

Does United prescribe any particular set of specifications, by which we might be guided in buying our outside third grade gasoline? If they do, then, of course, we can scout the market and find out who, among the small refiners whose surplus is moved through the committee's activities, makes a product meeting such specifications, and then tell the committee that we will take our monthly "allocation" from them instead of from Wilcox, or Taxman, or Panhandle, or some of the other jacklegs whose stuff won't pass muster.

J. F. Nagle

4826 GOVERNMENT EXHIBIT NO. 125.

December 20, 1935

Mr. E. F. Underwood
Office

With further reference to purchasing third grade gasoline from the Russell Refining Company, Russell, Kansas, as you know Jim Smith and I took it upon ourselves to buy a car of this material about a week ago for our Goodland tank station on which we saved approximately $45.00 over Chase and approximately $66.00 over El Dorado in freight alone.

Besides that we bought this material at the low of the Journal of Commerce on date of shipment, which I consider a very good price for shipment from a Kansas refinery. I realize we are probably committed to buy from certain people such as Ben Taxman at Chase and other refineries in Texas or Oklahoma in connection with the buying program but we have seven points along the Union Pacific in Western Kansas and Goodland on the Rock Island where we can save from $21.00 to $63.00 a car on shipments from Russell as compared with Chase and from $48.00 to $98.00 a car as compared with El Dorado.

I do not know much about this buying program business but it would seem to me that we should supply these points from Russell and save this money. The material that they are making is as good or better than anything we ever got from Ben Taxman or East Texas.

L. H. Poland

cc: W. T. Atkins, Office
cc: J. F. Nagle, Tulsa, Okla.

Note to Mr. Atkins and Mr. Nagle: Is there any reason we can't take some of this material?

L. H. P.

4827 GOVERNMENT EXHIBIT NO. 126.

Tulsa, Oklahoma,
December 21, 1935.

Mr. L. H. Poland,
Kansas City.

Reference your December 20th letter to Mr. Underwood, your file 85:12, carbon copy of which you sent to me:

There isn't any reason that I know of for your not pur-

chasing third grade gasoline from Russell Refining Company, at Russell, Kansas, and, with the savings mentioned in your letter, I would say that there is every good reason for purchasing from them, quality and service being satisfactory.

It should be borne in mind, of course, that such purchases, being made because of freight savings effected, are not credited to us by the Buying Program Committee handling inter-refinery purchases. But we can waive that credit, all right, when the actual cash-in-pocket savings are as much as they are in this case.

J. F. Nagle

cc: Mr. Atkins
Mr. Underwood

4828 GOVERNMENT EXHIBIT NO. 127.

December 23, 1935

Mr. L. H. Poland,
Office

I have a copy of your letter addressed to Mr. Underwood and also the note in regard to purchasing of gasoline from the Russell Refineries.

I do not know that we will want to purchase this gasoline even if there is a saving in freight since we are committed to take a certain volume at Chase, Kansas, each month and I would want to check further on the Russell situation, especially as to their allotment before giving any consideration to purchasing part of their output.

W. T. Atkins

cc: E. F. Underwood, Office.
J. F. Nagle, Tulsa, Oklahoma

4829 GOVERNMENT EXHIBIT NO. 128.

Letterhead of Skelly Oil Company, Kansas City, Mo.

December 23, 1935

Mr. J. F. Nagle
Tulsa, Oklahoma

Dear Mr. Nagle:

I would suggest that you check with the committee at Tulsa and determine the allocations from the Russell Refining Company; also, who has been delegated to take this surplus.

I note from Poland's letter they have some gasoline to sell and it occurred to me that they might want to run some excess crude.

Yours very truly,
W. T. Atkins

4830 GOVERNMENT EXHIBIT NO. 135.

Telegram

Arkansas City, Kans.
December 7, 1935

J. J. Taxman
Taxman Refg. Co.
Wichita Falls, Texas.

This to remind you of meeting Kansas City Tuesday December tenth please be there.

C. M. Boggs.

4831 GOVERNMENT EXHIBIT NO. 136.

Telegram

Arkansas City, Kans.
November 23, 1935

J. J. Taxman
Taxman Refining Co.
Wichita Falls, Texas.

Meeting called for Kansas City Monday twenty fifth is of utmost importance insist you attend.

C. M. Boggs

4832 DEFENSE EXHIBIT NO. 137.

Telegram

Chicago, Illinois
February 23, 1935

J. J. Taxman
Taxman Refining Co. Inc.
Wichita Falls, Texas.

At the present moment the stabilization work in the Mid-Continent region is of outstanding importance and requires immediate consideration of a number of important items

Stop I have requested the prominent and active independent Mid-Continent non integrated refiners to meet with me Kansas City Muehlbach Hotel nine thirty Friday morning March first it is very important that you be present to assist and in considering and determining many important matters that should be immediately decided upon Stop Kindly acknowledge Blackstone Hotel Chicago.

C. E. Arnott.

4833 GOVERNMENT EXHIBIT NO. 148.

October 8, 1935

Mr. Dan Danciger,
Danciger Oil and Refineries, Inc.,
Tulsa, Oklahoma.

Dear Sir:

I am writing you, urging your attendance in person at the meeting in Kansas City, on October fourteenth.

We are at the beginning of the slackening of demand, and at this meeting there are many things of vital importance to discuss that absolutely require advice and action by the Executives themselves, and upon which they alone should act.

Mr. Arnott will be with us, and no doubt will have much to tell us. I cannot urge you too strongly to attend, with your Sales Manager.

Very truly,
C. M. Boggs.

(Handwritten Notation):
"Mr. Brammer?"

4834 GOVERNMENT EXHIBIT NO. 168.

Shell Petroleum Corporation

Copy of Telegram Sent

St. Louis
January 4, 1935

Crude Oil Dept Tulsa

Your TA-35 Rock Island offer gasoline prefer wait until general program arranged do buying as do not believe individual purchase will assist quotations.

Crude Oil Department
A. P. Ruether

4835 **GOVERNMENT EXHIBIT NO. 169.**

Crude Oil Department January 11, 1935.

Messrs. Fraser
Bascom
van Eeghen
Lakin

The following reports a check of the gasoline supply hanging over the market in Oklahoma, North Texas and the Panhandle, all of which material is offered at the low of the Chicago Journal of Commerce:

63-70 Octane or Q						
Danciger	January shipment	35	cars	65	Octane	
Rock Island	Immediate "	20	"	68	"	
Panhandle	" "	30	"	Q		
Taxman	" "	25	"	65	"	(offcolor)
Waggoner	January "	50	"	65	"	or Q
Sunray	Immediate "	35	"	68	"	

The Q is quoted ⅛¢ over low Journal quotations. Total cars 195.

Third Grade			
Rock Island	Immediate shipment	20	cars
Panhandle	" "	30	"
Taxman	" "	50	"
Olney	January "	35	"
Waggoner	" "	50	"
Sun Company	" "	20	"
Cushing	" "	25	"
Champlin	" "	20	"

Total cars — 250

The foregoing is offered at flat 3¾¢ or low Journal, date of shipment.

Bourque advises that a Meeting held in Chicago last week (Mr. Arnott) considered getting into operation a buying program but so far as we can learn, no definite plan has been arranged.

East Texas is clear of surplus material at the moment, and the situation there has been bolstered by an announcement from Greene that he has a purchase order for 300 cars of gasoline which he will begin buying on January
4836 14th (understand this is being bought for Humble and Texas).

The general opinion is that buyers (jobbers-brokers) are keeping away from the market as long as possible, in view of the Supreme Court decision, and are looking for a complete breakdown in East Texas. If control is continued, it

is expected they will have to come into the market, which will do much to relieve the position in North Texas, Panhandle and Oklahoma.

Bourque is endeavoring to develop a program and advises that Phillips and Vacuum are short of gasoline. He asked for our participation in doing some buying, to which we have not made a committment until we know more about the plan discussed in Chicago. (Mr. van Eeghen advises that a committee has been appointed which will go into this early next week).

It is suggested that the published prices would be helped to a considerable extent, if all major companies would post a price each day for 63 plus Octane gasoline for spot delivery, informing the publications of their quotations for this grade.

If it is considered that East Texas will continue under control, a buying program is suggested—say not to exceed 20 cars per day, scattered among all the small refiners, offering material on the open market, in Oklahoma, North Texas and the Panhandle, which would do much to improve the situation. If ten purchasers could agree to a program, each should be assigned to a seller having surplus material. In that manner a much closer check could be kept of the actual situation. If the surplus is too large for one buyer to handle, some special arrangement could be made for the other buyers to participate—haphazard buying will not help, it must be orderly and continuous, preferably on a daily basis, rather than large purchases today and no purchases until another surplus appears to place a sag on the market.

APR.L

4837 GOVERNMENT EXHIBIT NO. 170.

Crude Oil Department January 15, 1935.

Gasoline Market
(Tank Car)

Messrs. Fraser
Bascom
van Eeghen
Lakin

Bourque has made a check of the Chicago market and reports it is clear of any distress material. The brokers who were recently selling short, are trying to cover.

A buying movement has started. Stanolind are purchas-

ing middle bracket and paying 4⅝ cents, quantity unknown.

Phillips have taken 150 cars of 3rd grade for delivery over January and will buy additional gasoline during the month.

Empire—MidContinent and Globe, will do some buying, beginning today. Barnsdall and Continental, will probably join tomorrow.

Following is check of Oklahoma Refineries:

Champlin has 50 cars of 3rd grade (not pressing).

Cushing Refining Company, no gasoline to offer.

Rock Island Refining Company, 50 cars of 65 octane, shipment over January. They will add Q if required by the buyer.

Major Refining Company, Oklahoma City, clear.

Sinclair has purchased 10 cars 3rd grade.

Sun Oil Company, 25 cars, 400 End Point (not Pressing).

Sunray Refining Company, none to offer.

Wilcox, 20 cars 3rd grade, 25 cars Q.

Panhandle District.

Panhandle Refining Company sold up for January.

4838 Sinclair purchased 20 cars.

Phillips, 100 cars.

Shamrock Refining Company, none to offer.

Sinclair bought 15 cars.

Danciger Refining Company, 35 cars 65 octane.

Kansas District.

Vickers clear, sold 25 cars to Phillips.

Dickey, clear, sold 15 cars to Phillips.

North Texas.

Olney, 35 cars 3rd grade, January shipment.

Waggoner, 50 cars 3rd grade and 25 cars 65 octane.

Taxman, Tulsa broker, has 50 cars 3rd grade and 25 cars 65 octane which is reported to be East Texas offcolor and hot.

The East Texas field has on hand, approximately 150 cars of legal gasoline, 3rd grade, current quotations 3½ to 3⅝ cents ex East Texas.

Truck deliveries, hot gasoline 2¼ to 2½ cents.

We have talked to James (Platt's Tulsa) and informed him of the general situation. We have also asked Bourque

to endeavor to have the buyers pay a premium over published prices for middle octane grade in order to get the publications to move up on their quotations.

We are not ready to recommend our joining in on the buying until we have an opportunity to see what effect Phillips; Stanolind's and the other contemplated purchases, have on the market.

APR. ML

4839 GOVERNMENT EXHIBIT NO. 171.

Original of Telegram Received.

Kilgore, Texas
March 18, 1935

A. P. Ruether
St. Louis, Mo.

KC-219 J. C. Karnes General Manager Sinclair Sales New York advised a party in East Texas today that a gasoline purchase program would be worked out today and not later than tomorrow whereby major companies would buy gasoline from refiners in East Texas Stop Reported will take 250,000 barrels monthly Stop This report confirmed by S. B. May and Jules Constantin.

McNair

Attn: Mr. Ruether
Copy: Mr. Bascom

NOTE: *It is stipulated* in Exhibit 728 that McNair is a field scout for Shell in Texas.

4840 GOVERNMENT EXHIBIT NO. 173.

Shell Petroleum Corporation,
St. Louis.

Copy of Telegram Received

Tulsa, Oklahoma
February 2, 1935

P. E. Lakin
Shell Petroleum Company
St. Louis, Mo.

Meeting tankcar market committee definitely called Tuesday ten o'clock Bullock's office Chicago.

R. W. McDowell

Attn: Mr. Lakin

Copy: Mr. Fraser
Mr. Anderson
Mr. Galloway
Mr. Van Eeghan X
Mr. Wagner
Mr. Jacobs

(Handwritten Notation):

"Mr. Ruether—Will be in N. Y.—
understand Mr. Van Eeghan has
spoken to you about attending.
P. E. L."

4841 GOVERNMENT EXHIBIT NO. 174.

Original of Telegram Received

Kilgore, Texas
February 13, 1935

A. P. Ruether
St. Louis, Mo.

KB-119. Robertson of Lapren Refinery advised this morning that Cities Service is buying all available gasoline of companies in Independent Refiners Marketing Corporation also that he was in on deal trying to buy 250 cars of tender gasoline and only able to get 65.

G. L. Shoemaker

Attn: Mr. Ruether
Copy: Mr. Bascom

NOTE: *It is stipulated* in Exhibit 728 that G. L. Shoemaker is a field scout for Shell in Texas.

4842 GOVERNMENT EXHIBIT NO. 175.

Original of Telegram Received.

Tyler, Texas
March 6, 1935

A. P. Ruether
St. Louis, Mo.

KC-77 Texas Company is entering the gasoline market in East Texas plan to purchase from Arrow Top and East Texas plants amount they will take is unknown Stop Understand H. B. May in Houston dealing with Texas Co. today.

McNair

4843 GOVERNMENT EXHIBIT NO. 176.

A. P. Ruether March 8, 1935.

Messrs: P. E. Lakin Gasoline
R. P. Bascom Tank Cars

I have been in touch with Mr. Winget of Cushing Refining and Gasoline Company who tells me he feels that prices should move faster—that prices discussed should be reached by the 11th, and is quoting today, 3⅝ and 4⅝¢ on low and middle octane respectively.

Phillips are selling natural gasoline to Cushing and have bought low octane from Winget on the 7th @ 3½¢, which clears his position for the moment. It looks like they are buying ahead at current prices to protect their position.

I feel all purchasers will have to carefully check the grade of gasoline bought since natural is very cheap— 2 1/16¢ average quoted and a great deal might be blended off with low grade naphtha.

This natural gasoline can also be stabilized to good motor fuel specifications and low prices for 26/70 will be serious competition for stable motor fuel prices. I suggest the committee do not overlook the effect the natural gasoline situation might have on the program, it may be necessary to do some buying of this product.

APR.l

4844 GOVERNMENT EXHIBIT NO. 177.

Letterhead of Shell Petroleum Corporation.

From A. P. Ruether Date Feb. 6, 1935.

No. In Re:

To: Messrs. Fraser
Bascom
van Eeghen
Lakin

The committee on gasoline purchases met in Mr. Bullock's office with the following attending:

Messrs. Bullock
Jackson
Bourque
Miskell
Tuttle
O'Shaughnessy
Woodruff
Ashton
McDowell, Chairman
Karstedt
van Eeghen
Ruether

The effect of lower tank car markets for gasoline on the retail price structure, was discussed—particularly, low octane, since this grade controlled, Mr. Jackson stated, the Indiana's policy in fixing the retail price.

The committee (except Karstedt) unanimously agreed that a continuous purchasing program is necessary to take off the market surplus material from North Texas, Panhandle, Kansas and Oklahoma. Bourque stated there is approximately 650 cars surplus, this month, in the areas mentioned.

It was agreed that the most efficient method to handle the situation, would be for individual major purchasers to arrange with individual small refiners to keep their surplus off the open markets—in this manner the purchases would be effectively placed and the buyer would be given the opportunity of using his purchasing power to influence the operating program of the small refiners to stay
4845 within his allocation etc. This program was considered practical and much superior to the previous haphazard purchasing.

It was considered that East Texas (if hot oil continues) would have to be taken care of by the East Coast refiners as well as Pennsylvania where there is a surplus of around 150 cars a month, some of which moves west as far as the Chicago market.

The question of allocation of the individual refiners to major purchasers, was left to a committee of three,—Messrs. Bullock, McDowell and Bourque, who will present the plan to the prospective buyers in Chicago on next Monday evening (after the general meeting) together with an estimate from Bourque of the surplus involved for the next ninety days of each of the refiners usually having distress material.

It was generally assumed that all companies would come into the picture since a stable retail market requires a higher tank car market.

APR:l

4846 GOVERNMENT EXHIBIT NO. 178.

Crude Oil Department March 15, 1935.

Mr. P. E. Lakin:

Cushing Refining and Gasoline Company advise us that they are in good shape on gasoline and have no surplus material to offer at this time.

Mr. Winget tells us he has sold five additional cars, Low Octane, to Phillips ⅛ over Journal Low quotations, date of shipment. This makes a total of 25 cars bought by Phillips during the past ten days.

Winget advises his price is 4¾¢ low for Middle Octane.

The general position in Oklahoma and Kansas, also North Texas, is in good shape as regards surplus gasoline. The Panhandle has about 50 cars, asking for shipping orders, most of this is in the hands of Taxman.

APR:L

cc-Mr. R. P. Bascom

4847 GOVERNMENT EXHIBIT NO. 179.

March 20, 1935.

Messrs. ~~*P. E. Lakin*~~ X
R. P. Bascom

Jacobi tells me the Pure Oil Company are not purchasing any gasoline from their partner Taxman Refining Company, in the Panhandle District. Taxman has about 30 cars of third grade octane which he is trying to move and may cut his price below 3⅞¢ if he does not get prompt relief.

Jacobi suggests we purchase some of this gasoline in view of our not having to take any Cushing's production; he is also pressing McElroy to do his share of purchasing.

A. P. Ruether

(Handwritten Notations):

"APR will you please discuss. P. E. L."
"Spoke to Mr. Lakin 3/22/35."

4848 GOVERNMENT EXHIBIT NO. 180.

Original of Telegram Received.

Tulsa, Oklahoma
March 20, 1935

A. P. Reuther
St. Louis Office

TC-393. Bourque informs us Arrow is offering considerable East Texas cracked material averaging 63 Octane for approximately 4¼ cents and threatening to ship into this territory unless relieved Stop Understand making three cars per day and material backing up Stop Bourque has also reported to McDowell Stop Bourque afraid might reach Chicago pool and believes should be taken before this happens Stop If interested kindly advise.

Crude Oil Dept.
E. A. Bacon

Attn: Mr. Ruether
Copy: Mr. Bascom

NOTE: *It is stipulated* in Exhibit 728 that E. A. Bacon is manager of the Crude Oil Department in the Tulsa area of Shell.

4849 GOVERNMENT EXHIBIT NO. 181.

List of Refiners from whom "Buying Group" are purchasing:

Rock Island Refining Co.
Cushing Refining & Gasoline Co.
Champlin Refining Co.
Omar Refining Co.
Wilcox Oil & Gas Co.
Dickey Oil & Gas Co.
Taxman Refining Co.
Sunray Oil Co.
Johnson Oil & Refining Co.
Panhandle Refining Co.
Shamrock Oil Co.
Olney Oil & Gas Co.
Waggoner Oil & Gas Co.
Cosden Oil Co.
Danciger Oil Co.

HJ:TH
4/4/35.

(Handwritten Notation):
"A.P. Ruether Crude Oil Dept."

4850 GOVERNMENT EXHIBIT NO. 182.

Letterhead of Shell Petroleum Corporation, St. Louis, Mo.

March 13, 1935

From: Mr. L. Van Eeghen
To: Mr. A. Fraser

In Re: Review Tank Car Prices Week Ending March 9th

During the week under review, gasoline prices in Group 3 and East Texas strengthened and fractional advances were made in middle and low grades. Gulf Coast and Western Pennsylvania markets remained unchanged. Prices at the end of the week were:

Group 3:	Low	High	Av'ge	Av'ge net change during week	Av'ge 1934
Below 62 Octane	3⅜	3⅜	3 11/16	5/16	3 11/16
63-70 Octane	4½	4¾	4⅝	1/16	4½
Above 70 Octane	—	—	4⅞	—	—
East Texas:					
Below 62 Octane	3¾	3⅞	3 3/16	¼	3⅜
63-70 Octane	4½	4⅝	4 9/16	½	4⅝
Gulf Coast: Domestic Shipment					
Below 62 Octane	4¾	5⅛	4 15/16	—	4⅞
63-70 Octane	5	5¼	5⅛	—	5 1/16
Western Pennsylvania					
U. S. Motor (58-62°)	4⅜	4½	4 7/16	—	4 13/16
Minimum 60 octane	5½	5⅝	5 9/16	—	6 7/16
Minimum 65 octane	5⅞	6	5 15/16	—	6⅞

The activities of the Federal and State Tender Boards in East Texas, coupled with the "buying movement" organized by major interests, which is now getting under way, is responsible for the improvement in Group 3 and East Texas prices; several hundred cars of distress gasoline which were over-hanging the Kansas-Oklahoma market have been disposed of through the buying movement and to jobbers who filled their storage in anticipation of rising prices. With improved seasonal demand in view and a continuation of the buying movement, it is anticipated that prices will strengthen by approximately one-half cent over the next thirty to forty-five days.

4851 A small amount of distress gasoline in the hands of Chicago brokers is being handled by local connections. East Texas gasoline (hot) is available to truckers at 2½¢,

moving into local cut-rate channels; despite this fact, retail prices in Texas having strengthened during the past week.

Some concern is felt at the weakness in Natural gasoline prices, which declined 3/16¢ during the week to an average of 2¢ per gallon; an impression prevails that the "buying movement" should make some effort to bolster Natural Gasoline prices because of the danger of abnormal percentages of cheap Natural being used for blending with low grade gasoline, thus having a tendency to weaken the latter. In addition, if an abnormally wide differential exists between natural and middle octane gasoline, natural gasoline producers will no doubt stabilize their product, and sell it at lower than prevailing prices for middle octane grade.

Kerosene

Kerosene is strong in Group 3, at an average of 3⅝¢, which is only 1/16¢ under third grade gasoline. In sympathy with the decline on the Gulf Coast, kerosene in East Texas dropped ⅛¢ to an average of 3 4/16¢. It is reported that refiners are storing kerosene in anticipation of higher prices over the tractor and incubator season, which opens in the middle west during the next thirty days.

Gulf Coast kerosene market declined ¼¢ to 4⅝¢ average, due to seasonal decline in consumption of Range Oil for domestic heating in the East, under which name kerosene is largely marketed in that area.

Fuel Oils

Seasonal decline in consumption is also responsible for a drop of 1/16¢ in all grades of Domestic Heating Oils (Nos. 1-2-3) in Group 3, as well as a loss of ¼¢ on No. 1 and 3/16¢ on No. 2 Fuels in the Gulf.

Michigan Prices

Detroit Kerosene advanced ¼¢ to an average of 5⅞¢ f.o.b.
Detroit No. 1 Fuel dropped ¼¢ to an average of 5¼¢ fob
Detroit No. 2 " unchanged ..... " " 5⅛¢ "
Detroit No. 3 " declined ¼¢ to an " " 4¾¢ "

4852 The low prices prevailing for these products in relation to Group 3 and Western Pennsylvania prices definitely displace the latter from the Michigan market; as a result, Michigan tankwagon prices for these commodities are sub-normal (on a Group 3 determination of normal). Some consideration should be given to a local buying movement in an attempt to raise Michigan tank car and tank wagon prices more in line with surrounding territory.

HJ:CC

4853 **GOVERNMENT EXHIBIT NO. 183.**

Letterhead of Shell Petroleum Corporation, St. Louis Mo.

Date March 20, 1935

From: Mr. P. E. Lakin
No:
To: Mr. A. Fraser

In Re: Review ~~Tank Car~~ Prices Week Ending March 16, 1935

Gasoline

Group 3 gasoline prices continued to improve during the week and advances of ¼¢ and 3/16¢ were made in low and middle octane grades, respectively. East Texas prices are unchanged with the market strong, although a limited amount of gasoline stored in tank cars on railway sidings (partly illegal production) is being forced on the market at lower than prevailing levels, due to the enforcement by the railroads of demurrage charges; some of this gasoline has been sold on a basis of 3½¢ Group 3. Gulf Coast prices remain unchanged; 26/70 Natural gasoline prices in Group 3 advanced 1/16¢. In Western Pennsylvania, low and middle grade prices advanced ⅜¢ and ⅛¢, respectively. Prices at the close of the week were:

Group 3:	Low	High	Av'ge	Av'ge net change during week	Av'ge 1934
Below 62 octane	3⅜¢	4¢	3 15/16¢	¼¢	3 9/16¢
63-70 octane	4⅜¢	5¢	4 13/16¢	3/16¢	4⅜¢
above 70 octane	5¢	5¢	5¢	—	—
East Texas					
Below 62 octane	3⅜¢	3⅜¢	3 13/16¢	—	3 5/16¢
63-70 octane	4⅛¢	4⅜¢	4 9/16¢	—	4⅜¢
Gulf Coast (Domestic)					
60-64 Octane	4⅜¢	5⅛¢	4 15/16¢	—	4⅜¢
65 and above	5¢	5⅛¢	5⅛¢	—	5 1/16¢
Western Pennsylvania					
U. S. Motor 58-62°	4⅜¢	5¢	4 15/16¢	⅜¢	4 11/16¢
Min. 60 octane	5⅜¢	5⅜¢	5 13/16¢	⅛¢	6 7/16¢
Min. 65 octane	6¢	6⅛¢	6 1/16¢	—	6⅜¢

4854 . Jobbers have been filling their storage in anticipation of rising prices and this, coupled with the activities of the "buying group", has resulted in the removal of virtually all surplus gasoline from Oklahoma, Kansas, and to a lesser extent, North Texas; in the Panhandle, about 35 cars of surplus gasoline in the hands of the Taxman

Refining Company has not been cleared, owing to Pure, who were assigned this purchase from Danciger, not carrying out their part of the program. Some small volume of gasoline in the hands of Chicago brokers shipped out of East Texas (before the operations of the Federal Tender Board) has now been disposed of. The effect of the Federal Tender Board on East Texas activities can be gauged from the following gasoline shipments made from that field into interstate channels:

Week ending March 3 43 cars daily—Prior to F.T.B.
Week ending March 10 29 cars daily—After F.T.B.

In sympathy with Group 3 advances, the Standard of Ohio increased the Ohio delivered spot price 1/8¢ on the 11th, inst., to 6.75¢, for below 65 octane, and to 7¢ for above 65 octane. (A further advance of 1/4¢ in both grades was made on the 18th, inst.) Western Pennsylvania prices were influenced upward 3/8¢ and 1/8¢ by the action of the Ohio Company.

The curtailment of tank car shipments from East Texas into inter-state channels has thrown additional gasoline on to the local market via tank trucks; as a result, cut-rate stations in certain parts of Texas are under-selling majors' prices by 5¢ to 6¢. Except at San Antonio, where majors' service station prices were reduced 3¢ on the 13th inst., branded marketers are not attempting to meet cut-rate prices; this situation is particularly acute in the vicinity of Fort Worth and Dallas.

Kerosene

Kerosene prices remained firm in Group 3 at 3 5/8¢ average and East Texas at 3 5/16¢, refiners storing for better prices in anticipation of tractor demand in the middle west. With the end of the heating season in view, Gulf Coast kerosene, which normally moves into East Coast channels for heating purposes, declined 1/2¢ per gallon to an average of 4 1/8¢.

Fuel Oils

Fuel oils in Group 3 are slow, but a cold snap in the middle west during the week was responsible for holding prices firmly at former levels, which are:

No. 1	3 3/16	F.O.B.	Tulsa
" 2	2 15/16	"	"
" 3	2 13/16	"	"

4855 On the Gulf Coast, Nos. 1 and 2 burning oils, declined 3/8¢ and 1/16¢, respectively, to an average of

4⅛¢ and 3⅛¢. These prices are unusually low, despite the decline normally anticipated at the end of the heating season. Prices for these commodities during last summer were somewhat higher than the levels indicated above, and we are making an attempt to ascertain factors responsible for the prevailing low prices.

Michigan Prices

Michigan prices, f.o.b. Detroit, remain unchanged at the following levels:

Kerosene	5.66	average
No. 1 Fuel Oil	5.25	average
No. 2 " "	5.125	average
No. 3 " "	4.75	average

The above prices are too low to enable Group 3 products to compete successfully in the Michigan market.

P. E. Lakin

cc-Messrs. Bascom
Swigart
Ebbert
Taylor
Ruether

(Handwritten Notation):
"to Andersen HHJ"

4856 **GOVERNMENT EXHIBIT NO. 184.**

Letterhead of Shell Petroleum Corporation, St. Louis, Mo.

From: Mr. P. E. Lakin Date April 3, 1935

No.

To: Mr. A. Fraser In Re: Price Review Week ending March 30th

Tankcar Markets

During the week under review, tankcar gasoline prices maintained their firm position and advances were made in East Texas, Group 3, and Western Pennsylvania. It is interesting to note that no tankcar price reductions occurred during the week in any commodity covered by this report. Gasoline prices at the close of the week were:

Group 3	Low	High	Average	Net Change Average	1934 Average
Below 62 octane	4⅛	4¼	4 3/16	⅛	3⅝
68-70 octane	4⅝	5	4 15/16	1/16	4⅜
East Texas					
Below 62 octane	4⅛	4⅛	4⅛	1/16	3⅛
68-70 octane	4⅛	4⅝	4 9/16	—	4⅛
Gulf Coast—Domestic					
60-64 octane	5⅛	5¼	5 3/16	3/16	4⅞
65 and over octane	5¼	5¼	5¼	⅛	5 1/16
Western Pennsylvania					
U. S. Motor 58-62°	5	5⅛	5 1/16	⅛	5⅛
Minimum 60 octane	6	6⅛	6 1/16	—	6 7/16
Minimum 65 octane	6¼	6⅜	6 5/16	—	6⅜

Gasoline in the Mid-Continent is tight; the tankcar buying group have so far been very successful in removing from the market practically all surplus material in Oklahoma, Kansas, and North Texas, except for a small quantity in the hands of brokers who are making offers below published quotations in what is believed to be a deliberate effort to destroy the effectiveness of major companies' buying movement. The success of the present movement towards increasing tankcar prices is dependent in a large measure upon the attitude of non-integrated refiners, whom the "buying group" are supporting. It remains to be
4857 seen whether such refiners in the face of higher prices will hold their crude runs to allowables, or whether

they will be tempted to exceed such allowables thus throwing the plans of the buying group "out-of-gear."

East Texas market is fairly strong, but here too, a limited volume of gasoline in the hands of brokers is moving into Indiana territory which may later be offered at below published quotations with the object of precipitating a reduction in the tankcar market. Active buying support is being furnished by major interests who are moving their purchases to the Gulf for shipment to the East Coast; gasoline from legal crude is rather scarce. A noticeable increase has recently occurred in shipments from the field into interstate commerce; apparently the Federal Tender Board have some doubt as to their authority insofar as stocks on hand prior to the Board's appointment is concerned, and the concensus of opinion is that they are tacitly permitting the liquidation of such stocks.

Illegal gasoline moving into intra-state channels via truck constitutes a serious menace to the local price situation; it is reported that refiners processing illegal crude are posting gasoline prices to truckers as low as 1½¢ per gallon. Apparently, however, major interests prefer to temporarily lose their business to such competition rather than disrupt the retail price structure as no violent service station price reductions have recently occurred in Texas markets.

A disturbing factor developed in competing for tankcar consumer business, is that major competitors, particularly when they have pipeline or water terminal advantages, are quoting below the low of published quotations. This seems to be working at "Cross-purpose" with their efforts to increase tankcar prices via the "buying group." An impression prevails that prices at which consumers are sold does not influence publication prices; we are endeavoring to correct the situation.

If the present program carries through an average Group 3 price for middle grade of 5¼¢ can be confidently anticipated by May 1st.

During the week we made the following gasoline purchases:

10 cars 63-70 octane—400 e.p. from Cushing Refining and Gasoline Company—price 4¾¢ f. o. b. Cushing, delivered to pipe line.

20 cars 64-66 under 400 e.p. 71 Octane from Danciger Oil and Refining Company,—price 4⅞¢ f. o. b. East Columbia Texas (5.568¢ Houston) shipped to Houston Refinery.

4858 Kerosene

Kerosene market in Group 3 is fairly strong; prices advanced 1/16¢ to an average of 3-9/16¢. Some small volume

moved at below average prices owing to refiners who had built up stocks in anticipation of higher prices being compelled to dispose of limited amounts to permit of current operations. The tractor season in the Middle West has been somewhat delayed by wet weather; it is reasonable to anticipate kerosene advancing to an average of 3¾ by the end of April.

Gulf Coast kerosene advanced 1/16¢ to an average of 4⅛¢, recovering the loss of a like amount sustained last week. With the heating season over, Gulf kerosene prices will probably weaken, unless stimulated by export demand.

Fuel Oils

Group 3 fuel oil market was slow, although prices remained unchanged; with the heating season at an end, some declines in fuel oil prices must be anticipated. A temporary shortage of U. G. I. Gas Oil resulted in an upward spurt of 3/16¢ in the average price. On the Gulf, No. 1 heating oil advanced 1/16¢ recovering the loss sustained last week, when refiners anxious to move surplus stocks reduced their prices. At the close of the week average prices were:

Group 3—	No. 1 Fuel Oil	3 3/16¢	f. o. b. Tulsa—	unchanged	
	No. 2 " "	2 15/16¢	"	"	"
	No. 3 " "	2 13/16¢	"	"	"
	U. G. I. Gas Oil	2¼¢	"	"	up 3/16¢
Gulf	No. 1 Fuel Oil	4⅛¢			up 1/16¢
	No. 2 " "	3 3/16¢			unchanged

Michigan fuel oil prices are below the level of Group 3 delivered prices, and this consequently militates against the restoration of normal tankwagon prices in Detroit and vicinity for Kerosene and Burning Oils. Current Michigan tankcar prices f. o. b. Detroit and Group 3 delivered prices by comparison are shown below:

Michigan:	Kerosene	5¾¢	Group 3:	7.39¢
	No. 1 Fuel	5⅜¢		6.50¢
	No. 2 "	5⅛¢		6.375¢
	No. 3 "	4⅞¢		6.250¢
	U.G.I. Gas Oil	4⅛¢		5.875¢

Retail Markets

The following major price changes occurred over the past ten days:

4859 March 21st: Standard of Ohio advanced prices all grades gasoline—½¢ per gallon.

March 22nd: Standard of Indiana advanced all grades gasoline—0.3¢ per gallon.

March 25th: Preparatory to adjusting dealer margins in Michigan to 3½¢ (April 1st) Standard restored all markets in the State to normal—average advance 0.7¢ per gallon covering approximately 2,000,000 gallons a month.

March 26th: Some thirty points in Southern Illinois which had been sub-normal for several months were restored to normal; average advance of 1.2¢ covering approximately 210,000 gallons monthly.

The present retail price situation by major marketers' territories is as follows:

Standard of Indiana: Markets generally in good shape; only major points where reduced prices prevail are Peoria, where prices all grades are 2¢ below normal, and Indianapolis where third brand only is 0.2¢ sub-normal. The balance of sub-normal points are confined to small towns and tributary points.

Standard of Ohio: Price structure only fair; Cincinnati, Dayton, Lima, Springfield, Piqua are all one cent below normal. Approximately 15% of our gallonage in the State is subnormal 1¢.

Standard of Kentucky: Mississippi points generally in bad shape with prices ranging to 6¢ below normal. Alabama and Georgia fairly good. Florida state wide prices generally ½¢ below normal owing to dispute between Sun and Standard Companies.

Standard of Louisiana: In good shape generally. Memphis being the only major point sub-normal (2.1¢).

A rough calculation indicates that the total gallonage in the Distributing Department presently selling at subnormal prices approximates, including Florida, 2,500,000 gallons monthly at any average of 1¾¢ below normal prices.

P. E. Lakin.

HJ:CC

4860 **GOVERNMENT EXHIBIT NO. 185.**

Letterhead of Shell Petroleum Corporation, St. Louis, Mo.

From: Mr. P. E. Lakin — Date: April 10, 1935

No. — In Re: Price Review Week Ending April 6th

To: Mr. A. Fraser

Tankcar Markets

Except for slight declines in Michigan and Western Pennsylvania, kerosene and fuel oil prices, tankcar markets were firm, price advances being made in Natural Gasoline, Automotive Gasolines and Gas Oil. For the first time since February 1934, group 3 regular grade gasoline reached 5¢. Gasoline prices at the end of the week were:

Group 3	Low	High	Average	Net Change Average	1934 Average
Below 62 octane	4⅛	4⅜	4 5/16	1/16	3⅛
63-70 octane	5	5⅛	5 1/16	1/16	4 5/16
26-70 Natural	2⅛	2¼	2⅛	⅛	1⅛
East Texas					
Below 62 octane	4⅛	4¼	4 3/16	1/16	3⅜
63-70	4⅜	4⅞	4 13/16	¼	4⅛
Gulf Coast—Domestic					
60-64 octane	5⅛	5¼	5 3/16	—	4⅜
65 and above	5¼	5½	5⅜	⅛	4 15/16
Western Pennsylvania					
U. S. Motor 58-62°	5	5⅛	5 1/16	—	5¼
Minimum 60 octane	6¼	6⅜	6 5/16	⅛	6 7/16
Minimum 65 octane	6½	6⅝	6 9/16	⅛	6⅝

No appreciable surplus gasoline exists in the Mid-Continent or North Texas; small quantities of low octane (estimated not to exceed 25 cars) are in the hands of Tulsa brokers who are offering it at ⅛¢ below published low quotations in an effort to disrupt the "buying groups" program. The Group's practice of buying directly from refiners, thus depriving brokers of their commission, is one of the factors responsible for brokers refusal to support the buying program.

4861 26-70 Natural Gasoline has advanced ¼¢ during the past three weeks in the face of a normal seasonal decline in demand for this product; despite this price advance little material is actually available.

Sinclair, Texas and Phillips are reported as heavy purchasers, and it is presumed they are increasing the use of stabilized Natural Gasoline in their finished motor fuels. It is further reported that these purchasers are bending every effort to keep Natural Gasoline at prevailing low levels until their requirements are filled, by selling against any price advance which manifests itself.

East Texas is in fair shape; major interests continue to buy intensively for shipment to the East Coast. Some small volume of gasoline is being sold for delivery to well known price-cutters in Indiana territory at prices believed to be below current published quotations, although no actual evidence for this belief is available. The opinion is that refiners selling these price-cutters are doing so only in sufficient quantities to keep such channels open to them in the event the buying movement is discontinued.

Interstate shipments are on an even keel averaging approximately 43 cars per day; the volume of illegal gasoline moving into intra-state channels via truck has increased tremendously, and is estimated to average 10,000 barrels per day. Prices on this material are as low as 1½¢ per gallon. An orderly liquidation of stocks on hand prior to the appointment of the Federal Tender Board is taking place.

During the week we purchased ten cars of U. S. Motor gasoline from Cushing Refining Co. at 4⅛¢ f. o. b. Cushing; this material was delivered to the pipeline.

Unfavorable motoring weather during the week retarded gasoline consumption and jobber demand was not up to seasonal expectations.

Kerosene

Kerosene in group 3 and the Gulf remained unchanged at 3-9/16¢ and 4⅛¢ respectively, while Western Pennsylvania declined ⅛¢ to an average of 4-13/16¢. The demand for kerosene in the Middle West has been retarded owing to wet weather which has delayed the opening of the Spring Plowing season. As a result some few sales have been made at under published prices by refiners who were compelled to move their surplus to permit of current operations. Nevertheless, the tone of the market is firm.

4862 Fuel Oils

Although the heating season is almost at an end, prices of fuel oils remained unchanged at the following levels:

Group 3:	No. 1—3 3/16¢	f. o. b.	Tulsa	Gulf:	No. 1—4⅛¢
	No. 2—2 15/16¢	"	"		No. 2—3 3/16¢
	No. 3—2 13/16¢	"	"		

Gas Oil advanced 3/16¢ during the week to an average of 2 7/16¢ f. o. b. Tulsa, this despite a like advance last week. Reports indicate that the relatively high price of gasoline is causing refiners to hold Gas Oil for cracking purposes. In view of present gasoline prices, with the prospect of still higher levels, it is anticipated that Gas and Fuel Oils may be held for cracking purposes, and thus aid in the maintenance of existing price levels for these commodities.

Michigan kerosene and No. 3 Fuel declined ½¢ and ¼¢ respectively; present prices f. o. b. Detroit are:

Kerosene	5¼¢	average
No. 1 Fuel	5¼¢	"
No. 2 "	5⅛¢	"
No. 3 "	4⅝¢	"
Gas Oil	4½¢	"

These prices are far too low to enable Group 3 products to successfully compete; no improvement in the situation is foreseen, and, on the contrary further declines are anticipated for these reasons:

The bulk of Michigan refiners products are absorbed locally for heating purposes; they have no cracking facilities to speak of, nor do they have any appreciable storage, and with the end of the heating season they will be forced to lower prices for intermediate products to permit of current operations. The recent opening of a new field may make additional crude available to small refiners, unless it falls into strong hands; fortunately the volume of available material is not believed sufficient to disturb markets outside the State.

Developments—Retail Markets

A. Standard of Indiana territory

On April 1, Standard introduced a fourth grade gasoline in Chicago for sale by tank-wagon to commercial consumers only. A flat tank-wagon price of 8¢ excluding taxes, was established; no contracts were entered into. Inasmuch as the tank-wagon price of "Super Shell" is 10.6¢ less 4863 1.5¢ to 1000 gallon buyers, or a net price of 9.1¢, it is obvious that we will convert our entire "Super Shell", and "Silver Shell" consumer business to fourth grade. The tank-wagon price is only 0.62¢ above the low of the laid down tankcar price for 63-70 octane and it is consequently anticipated cut-price jobbers who have been selling at these levels, relying upon large volume for profit will soon make "approaches" for higher price levels. We

estimate being able to secure approximately 250,000 gallons per month additional business through the introduction of fourth grade gasoline.

Effective April 1, the Standard of Indiana reduced dealer margins in Michigan to 3½-3½-2½ on normal markets with minimums of 3-3-2 in sub-normal markets, conforming to the balance of their territory. This change was met by all major marketers.

B. Standard of Kentucky territory

Effective April 2, Standard of Kentucky advanced prices of all grades gasoline 1¢ in Alabama, Georgia, Kentucky and ½¢ in Mississippi; no changes were made in Florida as a consequence of their long standing dispute with the Sun Company. This results in prices in that State being approximately 1½¢ below normal.

Simultaneously with their price advance referred to above, they restored normal prices at all points, but unfortunately these prices were not maintained at several locations. (details below)

C. Standard of Ohio

Retroactive to March 21, jobbers' margins were increased from 5½¢, with benefit of spot, to 6¢. This decision was made because the bulk of competitive jobbers operating under contracts signed last July and August were receiving such margins, and jobbers working under at 5½¢ contract felt they were being discriminated against.

On April 1, the Ohio Company revised their formula for determining the Ohio spot market by adding 3¢ instead of 2½¢ to the Oklahoma low for 63-70 octane gasoline; however, they simultaneously revised their formula for determining normal station price by reducing the spread between spot and station prices from 5½¢ to 5¢. These changes are not advantageous to refiners, inasmuch as they increase jobber margins without allowing for a compensating increase in the station price.

The volume of business done by majors at the Ohio spot price is negligible; and the only reason for increasing
4864 this price was because it was felt that brokers use such price in determining their price to unethical marketers.

Retail Prices

Indiana territory

Some slight improvement noted, particularly with respect to differentials at which unbranded marketers are

selling below majors. The high tankcar market is held responsible for this improvement. Peoria all grades 2¢ below normal and Indianapolis third grade only 0.2¢ sub-normal are the only major points with sub-normal markets.

Ohio

Effective the 5th inst. Standard of Ohio restored normal prices at Cincinnati, Dayton, Springfield, Piqua and other minor points. Total gallonage involved approximates 570,000 per month at an average increase of 1¢ per gallon.

Kentucky territory

Atlanta and Rome Georgia sub-normal 2¢ regular and Ethyl, 3.5¢ third grade. Except for a few minor points, balance of Kentucky territory in good shape to date.

Louisiana territory

All prices were restored to normal on the 8th inst. simultaneous with an average advance of 1½¢ in the price of all grades.

A rough calculation indicates that the volume of business at sub-normal prices approximates 2,000,000 gallons monthly at 1½¢ below normal.

P. E. Lakin

HJ:CC

cc—L. van Eeghen
R. P. Bascom
H. H. Anderson
T. E. Swigart
J. F. M. Taylor
A. P. Ruether

4865 **GOVERNMENT EXHIBIT NO. 186.**

Letterhead of Shell Petroleum Corporation, St. Louis, Mo.

From: Mr. P. E. Lakin **Date: April 17, 1935.**

No.

To: Mr. A. Fraser **In Re: Price Review Week Ending April 13th**

Tankcar Markets

During the week under review, no tankcar price reductions occurred in any of the commodities covered by this report. Fractional gasoline advances were made in Group 3, East Texas, and Western Pennsylvania; prices at the close of the week were:

Group 3	Low	High	Average	Net Change Average	1934 Average
Below 63 octane	4⅛	4⅛	4⅛	1/16	4.0
63-70 octane	5	5⅛	5⅛	1/16	4⅛
26-70 Natural	2⅛	2⅜	2 9/16	⅛	2 1/16
East Texas					
Below 63 octane	4⅛	4⅛	4⅛	1/16	3⅞
63-70 octane	4⅜	4⅞	4 13/16	—	4 5/16
Gulf Coast (Domestic)					
60-64 octane	5⅛	5⅛	5 3/16	—	4 13/16
65 and above	5⅛	5⅛	5⅜	—	5
Western Pennsylvania					
U. S. Motor	5⅛	5⅛	5 3/16	⅛	5 5/16
Minimum 60 octane	6⅛	6⅜	6 5/16	—	6 5/16
Minimum 65 octane	6⅛	6⅜	6 9/16	—	6⅜

No surplus gasoline is presently available in the Mid-Continent area, and refiners' stocks are at a low level. The "buying group" have not made any purchases in the last few days and it is anticipated that few purchases will be necessary over the next ten days in order to maintain present market levels. There seems to be some reluctance to further advance the tankcar market until later in the month; this feeling results from the fact that under the present price structure in Indiana territory, jobbers are not receiving a 5½¢ margin and any increase in the tankcar market further reduces their margin unless it is suffi-

ciently large to warrant an advance of retail markets.

4866 A disturbing factor in an otherwise good picture, is a report that Waggoner Refining at Electra, Texas, are liquidating stocks (estimated at 150,000 barrels) accumulated over several months, through brokers at prices equal to or slightly below publication lows. Inasmuch as the accumulation of these stocks was due to low prices, it is felt that while their liquidation may temporarily retard further tankcar advances, they will not be offered at prices which will lead to radical tankcar price reductions.

East Texas is in good shape; any surplus gasoline from legal crude is purchased as rapidly as it accumulates. Only twenty out of eighty refineries in the field are presently in operation; apparently refiners running hot oil are finding some difficulty in securing sufficient crude for their requirements. Illegal gasoline moving into local channels via truck averages 7,000 barrels daily at a price approximating 2½¢ f. o. b. refinery.

Natural gasoline continued to improve in sympathy with automotive gasoline; major interests are still in the market as buyers.

We did not make any gasoline purchases during the period covered by this report.

Kerosene:

Kerosene prices remained unchanged at the following levels:

Group 3: 3-9/16 Gulf: 4⅛ Pennsylvania 4-13/16

Although demand in the Middle West has not come up to expectations, prices are firm. Refiners feel that such stocks as they have on hand will be quickly moved once Spring plowing starts in earnest.

Fuel Oils:

There were no changes in Fuel Oil or Gas Oil prices; the market is firm, primarily as a result of the inclement weather prevailing over a large portion of our territory.

Michigan fuel oil prices remain unchanged; it is reported that with the opening of a new pool in Montcalm County, the development of local refinery facilities is imminent.

Developments--Retail Markets

Effective the 8th, service station prices in Standard of Louisiana territory were adjusted on the basis of 6¢ over

laid-down tankcar prices, instead of 5¢ as heretofore.

4867 In conformity with an amendment to the Wisconsin minimum Price-fixing Order, we increased the 1000 gallon consumer discount on Silver Shell from ½¢ to 1½¢.

Retail Prices:

Indiana territory; Effective 12th, Standard of Indiana and Nebraska advanced all grades gasoline 0.3¢. On the 8th, Peoria prices on regular and premium brands were advanced 2¢, thus restoring to normal, third grade was increased 1½¢ to ½¢ below normal.

The Sun Company's refusal to meet Standard's 0.3¢ advance in detroit on the 12th inst. led to a reduction by a like amount on the 13th inst.

(Handwritten notation):

"Sun have now agreed
to go along. P. E. L."

Ohio territory: Effective 14th inst. Standard of Ohio advanced price of all grades gasoline 0.25¢.

Kentucky territory: Atlanta and Rome, Georgia, subnormal 2¢ on regular and premium, 3½¢ on third grade.

Louisiana territory: All points normal as of 8th inst.

A rough calculation indicates approximately 2,600,000 gallons monthly average is selling at prices averaging 1.2¢ below normal.

P. E. Lakin

HJ:CC

(Handwritten Notation):

"M. McGaw"
cc—L. van Eeghen
R. P. Bascom
H. H. Anderson
T. E. Swigart
J. F. M. Taylor
A. P. Reuther

4868 **GOVERNMENT EXHIBIT NO. 187.**

Letterhead of Shell Petroleum Corporation, St. Louis, Mo.

From: Mr. P. E. Lakin Date April 24, 1935

No. In Re: Price Review Week Ending April 20th

To: Mr. A. Fraser

Tank Car Markets

Gasoline price advances were registered in all markets, ranging from 1/8¢ in Group 3 and East Texas to 1/4¢ in Western Pennsylvania. Natural Gasoline increased 3/16¢. Prices at the end of the week were:

Group 3	Low	High	Average	Net Change Average	1934 Average
Below 63 octane	4⅜	4⅜	4⅜	⅛	4⅛
63-70 octane	5⅛	5⅜	5¼	⅛	4⅜
26-70 Natural	2⅜	2⅜	2⅜	3/16	2⅛
East Texas					
Below 63 octane	4⅜	4⅜	4⅜	⅛	4.0
63-70 octane	4⅛	5	4 15/16	⅛	4⅛
Gulf Coast (Domestic)					
60-64 octane	5⅛	5⅛	5 3/16	—	5.0
63-70 octane	5⅛	5⅛	5⅜	—	5 3/16
Western Pennsylvania					
U. S. Motor	5⅛	5⅜	5 5/16	⅛	5 5/16
Min. 60 octane	6⅛	6⅜	6 9/16	¼	6 5/16
Min. 65 octane	6⅜	6⅛	6 13/16	¼	6⅜

No surplus gasoline is presently available in the Mid-Continent area. Some twenty cars of distress material in the hands of Eason Refining Company of Enid, which developed during the week, were taken off the market by Globe, Skelly and ourselves.

The "buying group" are offering 4⅜¢ for "below 63-Octane" and 5¼¢ for 63-70 Octane, and report no low octane material is being offered at that price, while little 63-70 has been submitted. The Waggoner Refining Company (referred to in the last week's report) are cooperating with the "buying group"
4869 in an orderly liquidation of their stocks and no trouble is anticipated from this source. However,

the Taxman Refining Company of Wichita Falls, Texas are re-opening their refinery (allowable 30,000 barrels monthly), and it is anticipated that some portion of this output will have to be currently purchased to ensure market stability.

While refiners' stocks are not large, they are apparently holding on to such stocks as they can accumulate in anticipation of higher tank car prices. However, the opinion of marketers seems to be that it would be wise to make no further price advances over the next ten to twenty days so as to consolidate the present position.

In East Texas no appreciable surplus of legal gasoline exists. Eastern interests currently purchase such material as is offered at slightly below published quotations. The volume of illegal gasoline moving into intrastate channels has somewhat diminished, but still averages 6,000 barrels daily at an average refinery price of 4¢. However, some five additional refineries (making a total of 25) re-opened during the week and it is expected that the volume of illegal gasoline production will soon reach 8,000 barrels daily, with a consequent break in the dock price. This will not affect the interstate markets.

Western Pennsylvania prices are too low in relation to the Ohio spot, and Eastern Seaboard markets. An increase of approximately ½¢ per gallon in these prices is anticipated to adjust with market prices in adjacent territories.

Natural gasoline, despite an advance of 3/16¢ in the price, is scarce. Major interests are buying such material as is offered, and in addition, the relatively high price of automotive gasoline tends to increase the volume of Natural stabilized and sold for middle octane gasoline.

During the week, we purchased five cars of U. S. Motor (53 Octane) from Eason Refining Company at a price of 4⅜¢ f. o. b. Enid, Oklahoma. This material was shipped to Arkansas City: delivered cost—5.157¢ per gallon.

Gulf domestic cargo prices are out of line with East Texas markets. An effort is being made to boost this price. The sale of a cargo at 5¼¢ made late last week was responsible for holding the market at that level; we are endeavoring to ascertain the name of the Seller and Buyer. We were given to understand that the Seller later realized his price did not reflect the true market value.

4870 Kerosene

Kerosene prices remained unchanged in Group 3, the Gulf and Western Pennsylvania, but advances of ¼¢ and 1/16¢ were made in Michigan and East Texas, respectively. Current average prices are:

Group 3: 3 9/16 Gulf: 4⅛ Michigan: 5¾ Pennsylvania: 4 13/16.

With the improvement in weather, kerosene shipments from Group 3 are showing a marked increase and an advance in the tank car price is anticipated in the immediate future.

Fuel Oils

There were no changes in Fuel and Gas Oil prices. Normally, at the end of the heating season, prices for these products commence to ease. That they have not done so this year, is due to the fact that refiners are holding such stocks for cracking purposes in view of the relatively high price for gasoline.

Retail Prices

(a) Standard of Indiana territory: To allow for an increase in freight rates, tank wagon and service station prices of gasoline, kerosene and fuel oils were advanced 1/10¢ at certain points only. The volume involved is not yet definitely determined.

On the 19th, Standard and Sun Companies restored the 0.3¢ reduction made in Detroit on the 13th, inst. Subnormal prices in this territory are confined to a few rural points in Iowa, Missouri and Illinois. In Kansas and Nebraska third grade gasoline prices are subnormal by from one to three cents over a fairly wide area.

(b) Standard of Ohio territory: On the 20th, S. O. C. of Ohio restored to normal those few remaining points where subnormal prices prevailed. For the first time since February, 1934 we do not have a single subnormal price area in Ohio.

(c) Standard of Kentucky territory: Atlanta, Ga., Augusta, Ga., and Rome, Ga., are still subnormal 2¢ on regular and premium grades and 4¢ and 3½¢ on third grades.

(d) Standard of Louisiana territory: All points in Louisiana territory are normal with the exception of Memphis, where third grade only was reduced ½¢ on the 18th, inst.

4871 The following is a rough estimate of present sub-normal prices in Distributing territory:

Indiana territory	—733,000	all grades at avge. of 1.1¢
Kentucky territory	—450,000	all grades at avge. of 1.1¢
Magnolia (Texas)	—450,000	all grades at avge. of 1.1¢
Magnolia (Okla.)	— 78,000	all grades at avge. of 1.0¢
Nebraska territory	— 20,000	third grade only avge. 3.3¢
Louisiana territory	— 6,000	third grade only avge. 0.5¢
Total	1,737,000	at average of 1.1¢

P. E. Lakin

HJ:TH

(Handwritten Notation):
"M. McGaw"

4872 GOVERNMENT EXHIBIT NO. 188.

Letterhead of Shell Petroleum Corporation, St. Louis, Mo.

From: Mr. P. E. Lakin Date: May 9, 1935

No: In Re: Price Review Week Ending May 4th, 1935

To: Mr. A. Fraser

Tank Car Markets

Gasoline continued to maintain its firm position despite inclement weather which has retarded shipments. Advances of 1/16¢ were made in the averages of low and middle grades in Group 3 and East Texas, and ¼¢ in the Western Pennsylvania prices. Prices at the end of the week were:

Group 3	Low	High	Average	Net Change Average	1934 Average
62 and below	4½	4¾	4⅝	1/16	4 1/16
63-70 octane	5¼	5½	5⅜	1/16	4 13/16
26-70 Natural	3⅛	3⅛	3⅛	⅛	2 1/16
East Texas					
62 and below	4½	4⅝	4 9/16	1/16	3⅞
63-70 octane	4⅞	5	4 15/16	—	4½
Gulf Coast (Domestic)					
60-64 octane	5⅛	5¼	5 3/16	—	5 1/16
63-70 octane	5¼	5½	5⅜	—	5 3/16
Western Pennsylvania					
U. S. Motor	5¼	5⅜	5 5/16	—	5 7/16
Min. 60 octane	6¾	6⅞	6 13/16	⅛	6 15/16
Min. 65 octane	7	7⅛	7 1/16	⅛	6⅞

The unseasonable weather was responsible for throwing on the market an abnormal number of cars of distress gasoline, but these were quickly taken up by the "buying group". The only "bad" spot is Vickers at Potwin, Kansas, who have some thirty cars of low grade material which they are anxious to move. While there is no cause for any particular alarm, marketers are somewhat uneasy for fear that a prolongation of present weather conditions may result in more gasoline being thrown on the market than can be liquidated by the "buying group" in an orderly fashion.

4873 Prices shown under "Gulf Coast Domestic" market do not reflect the actual current prices for single cars: our experience is that major marketers' prices for individual cars exceed those published in Platt's by from ¼¢ to ½¢ and we have advanced our quotations to conform. We are endeavoring to correct with Platt's.

The East Texas situation has shown a slight improvement; apparently refiners processing illegal crude are encountering some difficulty in obtaining supplies. Legal gasoline prices are firm at the levels shown above, and such surplus material as accumulates is promptly lifted by major interests for shipment to the East Coast.

Refinery dock prices to truckers for illegal gasoline ranges from 3¢ to 3½¢.

Kerosene:

Despite the fact that wet weather has retarded Spring plowing, the imminent demand for kerosene for tractor fuel and incubator purposes has resulted in a marked increase in kerosene shipments. Refiners generally are refusing to sell at published lows, and average price increases of 5/16¢ and 3/16¢ were made in the Group 3 and East Texas prices during the week. Average prices at the end of the week were:

Group 3: 3-15/16¢ up 5/16.
Pennsylvania: 4-13/16¢ (unchanged).
Gulf: (Domestic) 4⅛¢ (unchanged).
East Texas: 3-11/16¢ up 3/16¢.
Michigan: 5.5¢ unchanged.

Fuel Oils:

With the end of the heating season in view, coupled with the heavy demand for kerosene, refiners' stocks of fuel oil were at a low level. The unexpected cold spell in the Northern Middle States resulted in a temporary shortage of Domestic Fuel Oils and price advances of ⅛¢ were reg-

istered in Grades Nos. 1 and 2. Other grades remained unchanged with the market in a healthy condition.

Retail Prices—General

Effective May 2nd, the Gulf, followed by Standard of Louisiana, advanced wagon and station prices of all grades gasoline in Louisiana, Arkansas and Tennessee one-half cent (½¢) per gallon. This change did not apply to New Orleans and Baton Rouge for "political reasons."

Effective May 2nd, Standard of Indiana advanced station and wagon prices of all grades gasoline 0.3¢ 4874 throughout their territory to conform to a like increase in the tank car market.

Standard of Indiana: No major points are sub-normal. Super Shell is subnormal at isolated rural points in Iowa and Missouri; Silver Shell subnormal over fairly wide areas in Kansas, owing to activities of Grain Elevators. Estimate of subnormal gallonage: 72 points total of 755,000 gallons, at average of 1.1¢ subnormal. Last week: 747,000 gallons.

Standard of Kentucky: Atlanta, Rome and Augusta continue to be subnormal 2¢ on Super Shell and 3½¢ and 4¢ on Silver Shell. Estimate of subnormal gallonage: 480,000 gallons at average of 1.1¢. Last week: 446,000 gallons.

Standard of Ohio: No subnormal points.

Standard of Louisiana: Excluding New Orleans, which did not participate in last ½¢ price advance, subnormal gallonage: 21,000 gallons—average of 1¢; Last week: 21,000 gallons.

Combined subnormal gallonage equals approximately 1,900,000 gallons—versus 1,760,000 gallons last week.

P. E. Lakin.

HJ:TH

(Handwritten Notations):

"What is the trouble in Atlanta?
What can be done about it?"

(Handwritten Initials):

"A. F." "P. E. L."

4875 GOVERNMENT EXHIBIT NO. 189.

Mr. P. E. Lakin May 17, 1935.

Price Review
Week Ending
May 11th, 1935.

Mr. Fraser

In spite of the fact that weather conditions are retarding shipments the gasoline market remains in good shape. A rumor that the Federal Tax may be eliminated next month has made Jobbers wary of filling their storage. The "buying group" continues to move distress material as quickly as it appears on the market; as a matter of interest, we show below purchases made by "buying group members" during the first ten days of April and May, from which it will be noted that despite the inclement weather during the present month, the "group's" purchases exceeded last month by only 4.6%.

	April		May	
Anderson-Pritchard	0	cars	20	cars
Barnsdall	10	"	20	
Continental	18	"	10	
Empire	11	"	7	
Globe	25	"	10	
MidContinent	9	"	20	
Phillips	41	"	33	
Pure	6	"	10	
Shell	10	"	10	
Sinclair	25	"	25	
Skelly	19	"	25	
Standard/Indiana	75	"	50	
Socony/Vacuum	34	"	56	
Total	283	cars	296	cars

There is every indication that gasoline prices may advance fractionally over the next month or so, although, in our opinion, no substantial increase in the tank car market can be anticipated over the balance of the year, unless unforeseen circumstances arise.

Gasoline tank car prices at the close of the week were:

4876

Group 3	Low	High	Average	Net Change Average	1934 Average
Below 63 octane	4⅝¢	4¾¢	4 11/16¢	1/16¢	4¼¢
63-70 octane	5¼¢	5½¢	5⅜¢	—	4¾¢
26-70 Natural	3⅛¢	3⅛¢	3⅛¢	—	2⅛¢
East Texas					
Below 63 octane	4½¢	4⅝¢	4 9/16¢	—	3 15/16¢
63-70 octane	No longer quoted.*				4 7/16¢
Gulf Coast (Domestic)					
60-64 octane	5⅛¢	5¼¢	5 3/16¢	—	5 1/16¢
65 and above	5¼¢	5½¢	5⅜¢	—	5 3/16¢
Western Pennsylvania					
U. S. Motor	5⅜¢	5½¢	5 7/16¢	⅛¢	5¾¢
Min. 60 octane	6¾¢	6⅞¢	6 13/16¢	—	6⅝¢
Min. 65 octane	7.0¢	7⅛¢	7 1/16¢	—	6⅞¢

*Note: 63-70 Gasoline is no longer quoted in East Texas. The proportionately small volume of this grade procured in East Texas is marketed by refiners through established broker connections at prices believed to be in line with current Group 3 quotations.

The present situation in East Texas is the best the field has seen since its inception; the enactment of legislation giving the State the right to confiscate illegal crude oil and its products has had a marked effect on the production and movement of hot oil and gasoline. Only a very few refiners are presently operating on questionable crude and their operations are of a sporadic nature. On the 9th, inst., for the first time in the history of the field, not a single truckload of untendered gasoline was moved. Stocks of legal gasoline in the field are at an all-time low level.

The failure of Gulf Coast gasoline markets to advance in sympathy with Group 3 prices constitutes a possible menace to the present price structure in other territories. Gasoline from the Gulf and the Eastern Seaboard can now be laid down at some points in our Northern territories at prices slightly below Group 3 material.

Kerosene:

In spite of an average advance of 5/16¢ last week in the Group 3 market, kerosene again increased ⅛¢ with further advances in prospect. The scarcity of material in the Mid-
Continent, led to increased shipments from East
4877 Texas into Indiana territory and was responsible for a 5/16¢ advance in the East Texas price bringing it

into line with Group 3 prices. Pennsylvania kerosene prices are too low in relation to Group 3 and Eastern Seaboard prices; this is responsible for the low spot kerosene price. (6¢) maintained by the S. O. C. of Ohio. We are endeavoring to correct. Current average kerosene tank car prices are:

Group 3: 4 1/16¢. East Texas: 4.0¢. Pennsylvania: 4 13/16¢. Gulf Coast: 4⅛¢.

Owing to bad weather which has prevailed over the agricultural belt, thus delaying the normal plowing season, kerosene prices are expected to hold firm until at least the first week in June.

Fuel Oils:

Heavy fuel oils remained firm and an increase of ¼¢ was made in the price of No. 1. This condition is unusual so late in the heating season; factors responsible are: with the increase in demand for tractor fuel and kerosene, refiners cut their production of fuel, to increase their yields of the former products, thus reducing stocks of the latter and, consequently, when an unexpected cold wave hit the Northern Middle States, refiners found themselves short of stocks to meet the sudden unforeseen demand.

The tendency of refiners to hold fuels for cracking purposes has a stabilizing effect on the fuel oil market.

Retail Prices:

Effective the 10th, Standard of Indiana restored normal tank wagon prices for kerosene and No. 1 Fuel Oil (which includes Tractor Fuel) throughout their entire territory, excepting only the States of Kansas and Michigan. The activities of Grain Elevator operators in the former State, and local tank car prices in Michigan was responsible for their failure to restore normal prices in these two areas.

On the 7th, Standard reduced their Service Station price of third brand only in Detroit one-half cent (½¢) to meet competitive conditions, particularly Sunny Service, who were selling their regular grade at 1½¢ below "Red Crown."

Details of existing subnormal gasoline prices are given below:

4878 Standard of Indiana territory:

76 points subnormal approximately 1.1¢ Estimated monthly gallonage—677,281. Preceding week: 72 points —754,953 gallons. Aside from Detroit where Third Brand is subnormal ½¢, no major points affected.

Standard of Kentucky territory:

38 points subnormal approximately 1.1¢. Estimated monthly gallonage—573,173. Preceding week: 28 points —480,378 gallons. Atlanta, Augusta, Rome, Georgia are still subnormal 2¢ on regular and premium grades and 3½¢ and 4¢ on third grade. In addition, Birmingham, Alabama third grade price was cut 1¢ during the week.

Standard of Ohio territory: No subnormal points.

Standard of Louisiana territory:

11 points subnormal approximately 1¢ per gallon. Estimated monthly gallonage—21,392. No change from last week.

Magnolia territory:

12 points subnormal approximately 1.1¢ per gallon. Estimated monthly gallonage—628,045 gallons. Unchanged from last week. Major points having subnormal prices are Houston (1¢ all grades), Tulsa (1¢ third grade only), San Antonio (1¢ regular and premium—3¢ on third grade).

Estimated total subnormal monthly gallonage:

1,919,746 gallons at average of 1.1¢.

Preceding week:

1,904,623 gallons at average of 1.1¢.

P. E. Lakin.

HJ:TH

cc—Messrs. Bascom
van Eeghen
Anderson
Swigart
Taylor
Ruether
Galloway

(Handwritten Notation):

"Mr. Ruether"

4879 GOVERNMENT EXHIBIT NO. 190.

Letterhead of Shell Petroleum Corporation,
St. Louis, Mo.

From: Mr. P. E. Lakin — Date: June 7, 1935

No. — In Re: Price Review Week Ending June 1, 1935

To: Mr. A. Fraser

Tank Car Markets:

The dominating factor in the current gasoline tank car market is weather: motoring conditions have been far below normal, which has, consequently, retarded gasoline consumption. Despite this fact, coupled with the suspension of the Tank Car Price Stabilization Committee's activities as a result of invalidation of the N. R. A., the gasoline market has held firm, price advances of 1/8¢ being made in Group 3, East Texas, and Western Pennsylvania. Prices at the close of the week were:

Group 3	Low	High	Average	Net Change Average	1934 Average
Below 63 octane	4¾¢	4⅞¢	4 13/16¢	1/16¢	4 7/16¢
63-70 octane	5½¢	5⅝¢	5 9/16¢	—	5.0¢
26-70 Natural	3¢	3¢	3¢	—	2 7/16¢
East Texas					
Below 63 octane	4⅝¢	4¾¢	4 11/16¢	1/16¢	4⅛¢
63-70 octane		Not quoted			4 9/16¢
Gulf Coast (Domestic)					
60-64 octane.	5⅜¢	5⅜¢	5⅜¢	—	5 1/16¢
65 and above	5½¢	5½¢	5½¢	—	5 3/16¢
Western Pennsylvania					
U. S. Motor	5¾¢	5⅞¢	5 13/16¢	¼¢	5 13/16¢
Min. 60 octane	6⅞¢	7¢	6 15/16¢	1/16¢	6 9/16¢
Min. 65 octane	7⅛¢	7¼¢	7 3/16¢	1/16¢	6 15/16¢

With the cessation of the Tank Car Stabilization Committee's activities, brokers attempted to renew their former connections with refiners under the pretext that, as the buying movement was now illegal, refiners would not be able to dispose of their surpluses through such channels. Major Companies countered this move with in-
4880 creased purchases from refiners direct: a relatively small volume of gasoline found its way into brokers' hands, some 30 cars of which are presently on railroad sid-

ing in East St. Louis awaiting Buyers. Major interests are arranging to take this material off the market.

Simms Oil Company, who recently disposed of their marketing facilities and are now dismantling their Dallas refinery, originally had some 300 cars of gasoline in storage which they are anxious to dispose of. No apprehension is felt as to the effect of these stocks on market prices, inasmuch as certain major interests have committed themselves to relieve Simms of this gasoline within a limited period.

Conditions in East Texas are satisfactory; major interests continue to buy all surplus gasoline produced from legal crude at market prices. Dock prices for legal gasoline range from 4¢ to 4½¢ with questionable material about ½¢ lower; untendered truck shipments from the field now average only 500 barrels daily.

There is some tendency on the part of Jobbers to refrain from filling their storage in anticipation of the Federal Gasoline Tax being eliminated at the end of the month.

During the week, we made the following gasoline purchases:

Simms Petroleum, Dallas, Texas—10 cars Third Grade at 4½¢ f.o.b. Tulsa—shipped to Houston Refinery.

Bell Oil & Gas, Grandfield, Okla.—5 cars Middle Grade at 5½¢ f.o.b. Tulsa—shipped to Houston Refinery.

Cushing Sales—5 cars Middle Grade at 5½¢ f.o.b. Cushing —delivered to Pipeline.

Kerosene:

The increase in Group 3 prices resulted in heavy kerosene shipments from East Texas into the area normally supplied by Group 3 refiners. This was due to the disparity between Group 3 and Gulf Coast prices in conjunction with freights from East Texas to these two areas. (Freight from East Texas to Group 3 is about 0.2¢ against approximately 1¢ to the Gulf.) As a result, Group 3 prices are soft, and some sales have been made at below published prices. Furthermore, the season is too far advanced to permit much further Spring plowing in the north, and it is felt that such areas as are still unworked will not be cultivated until Fall. In all probability, kerosene prices will fall from ¼¢ to ½¢ by the end of June. Current 4881 average prices are:

Group 3:	4 1/16¢	(unchanged)
East Texas:	3 13/16¢	(down 3/16¢)
Pennsylvania:	4 13/16¢	(unchanged)
Gulf Coast:	4 1/8¢	(unchanged)

In view of the competition of Michigan refiners who are quoting about 5.7¢ f.o.b. Refinery, we are offering Michigan jobbers kerosene on the basis of Group 3 average plus 1½¢ f.o.b. East Chicago. Our delivered prices are approximately ½¢ higher, but we feel we may be able to secure such a premium.

Fuel Oils:

Fuel Oil prices remained unchanged in all markets. Demand was steady due primarily to the comparatively cool weather prevailing over a large portion of the Middle West, as well as the tendency of refiners to conserve stocks for cracking purposes.

Retail Prices and Developments:

Standard of Indiana territory: Effective May 28, Standard advanced tank wagon prices of all grades fuel oils 0.3¢ throughout their territory (except Michigan—owing to local refiner's competition).

Gasoline prices are subnormal at 82 points, an average of 1.1¢ per gallon, covering 615,000 gallons: unchanged from last week.

Standard of Ohio territory: Effective May 29, Standard advanced all grades gasoline ½¢ per gallon throughout their territory; simultaneously, they revised their formula for determining their normal Station price by adding 5½¢ (heretofore 5¢) to their delivered spot tank car price, which latter is based upon low of 63-70 Octane gasoline, plus 3¢. Schedule of dealer and jobber margins was also revised in accordance with the following schedule:

When difference between Spot tank car and Service Station price is:	3¢	5½¢	5¢	4½¢	4¢	3½¢
Dealer's margin will be:	3¾¢	3½¢	3¼¢	3¢	2¾¢	2½¢
Jobber's margin (net) will be:	2½¢	2¼¢	2¢	1¾¢	1¼¢	1½¢

On May 29, Sun Company reduced the Station price at Columbus 2¢ per gallon. They made a further reduction of a like amount on June 1. In explanation, we advise 4882 that some 30% of the local potential gallonage was being done by cut-rate operators who were selling at 2¢ or more below majors' third brand. Gallonage involved averages 275,000 monthly at 4¢ below normal.

Standard of Kentucky territory: No general changes in price structure: sub-normal prices at 33 points involving about 730,000 gallons monthly at 1.1¢ below normal. Un-

changed from last week: major points sub-normal are Atlanta, Rome, Macon, Georgia.

Standard of Louisiana territory: Kerosene tank wagon prices were advanced ½¢ on June 1. In the State of Tennessee, all majors withdrew sale of third grade gasoline, on the theory that cut-rate operators would post a price for their single grade at 1½¢ below major's normal price for their "House Brand."

Sub-normal prices at only eleven rural points: estimated monthly gallonage involved 21,000 at average of 1¢ below normal. Unchanged from last week.

Magnolia territory:

Oklahoma—7 points sub-normal: average 1.1¢ 80,000 gal. monthly

Texas —5 points sub-normal: average 1.1¢ 550,000 gal. monthly

Unchanged from last week.

Houston, Beaumont, San Antonio and Kilgore are 1¢ sub-normal on Regular and Ethyl, and 2¢ sub-normal on Silver Shell at Kilgore and San Antonio.

Total sub-normal gallonage all territories equals 2,300,000 per month, at average of 1.5¢: last week, 2,000,000 gallons at average of 1.1¢. Increase is due to sub-normal prices at Columbus, Ohio.

P. E. Lakin

NOTE: *It is stipulated* in Exhibit 1043 that this was written by Harry Jacobs, signed by him with P. E. Lakin's name and sent to Alexander Fraser.

4883 GOVERNMENT EXHIBIT NO. 191.

Letterhead of Shell Petroleum Corporation, St. Louis, Mo.

From: Mr. P. E. Lakin Date: June 14, 1935

No: In Re: Price Review Week Ending June 8, 1935

To: Mr. A. Fraser

Tank Car Markets:

The vigorous manner in which major marketers entered the gasoline tank car market after the Tank Car Stabilization Price Committee ceased to function, buying all surplus gasoline offered, led to further advances of ⅛¢ in the Group 3 gasoline price. In sympathy with this advance Pennsylvania prices increased ¼¢ on low octane and ⅛¢ on middle grades. For the first time since June, 1932 the low middle octane gasoline exceeds 5½¢: an average equal to this figure was attained in September, 1933, but held for only a ten-day period. Gasoline prices at the end of the week were:

Group 3	Low	High	Average	Net Change Average	1934 Average
Below 63 octane	4⅜¢	4⅜¢	4 13/16¢	—	4⅜¢
63-70 octane	5⅝¢	5⅝¢	5 11/16¢	+⅛¢	5.0¢
28-70 Natural	3.0¢	3.0¢	3.0¢	—	2⅜¢
East Texas					
Below 63 octane	4¼¢	4¾¢	4 11/16¢	—	3 15/16¢
63-70 octane		Not quoted			4½¢
Gulf Coast (Domestic)					
60-64 octane	5⅜¢	5⅜¢	5⅜¢	—	5 3/16¢
65 and above	5½¢	5½¢	5½¢	—	5 7/16¢
Western Pennsylvania					
U. S. Motor	6.0¢	6⅛¢	6 1/16¢	+⅛¢	5 13/16¢
Min. 60 octane	7.0¢	7⅛¢	7 1/16¢	+⅛¢	6 9/16¢
Min. 65 octane	7¼¢	7⅜¢	7 5/16¢	+⅛¢	6 15/16¢

Continued inclement weather is having an adverse effect on consumption which is reflected in lower refinery shipments. With the N.R.A. out of the picture, and the Tank Car Price Stabilization Committee ceasing to function, the future of the gasoline market is largely in the hands
4884 of Independent Refiners; if such refiners hold their runs down to levels in line with a figure recommended by a responsible "fact-finding", body, the future out-look

is bright. Current indications are, that Independent Refiners with few exceptions, will, in view of their experience during N.R.A., conform to a policy of holding crude runs down to market demand.

There is no change in East Texas. Major interests continue to move surplus gasoline from that field to the Gulf for shipment to the East Coast. The volume of illegal gasoline moving via truck into intra-state channels averages about 300 barrels a day.

During the week, we made the following gasoline purchases:

Cushing Sales—5 cars Middle Octane at 5⅝¢ f.o.b. Cushing —delivered to Pipeline at Cushing.

Arrow Refining Co. (through Globe Oil)—10 cars 370 e.p. 65 octane gasoline at 5¢ f.o.b. Group 3. This gasoline was stranded at East St. Louis: moved to Wood River.

Hercules Petroleum—5 cars low octane at 4½¢ f.o.b. East Texas (plus $2.50 per car): shipped to Houston.

Kerosene:

The kerosene market is weak: continued rains have prevented normal Spring cultivation and as a result, kerosene movements have been slow. While Group 3 published prices are unchanged, numerous sales at below such prices have been made and it is only a question of days before trade publications will have to take cognizance of these low sales, and lower their prices accordingly. The failure of Gulf Coast kerosene prices to advance in sympathy with Group 3, led to East Texas refiners moving their production into normal Group 3 territory which was a further factor contributing to the weakness in the Group 3 market. With Mid-Continent refiners shading their prices, East Texas did likewise and as a result, prices in the latter area declined 1/16¢. Average published prices at the close of the week were:

Group 3: 4 1/16¢ (unchanged) East Texas: 3¾¢ (down 1/16¢)

Gulf: 4⅛¢ (unchanged) Pennsylvania: 4 13/16¢ (unchanged)

Fuel Oils:

Warmer weather, coupled with a decline in demand for tractor fuels, was responsible for grades Nos. 1 and 2 4885 falling off 3/16¢ and 1/16¢, respectively. All other grades remained unchanged with prices firm.

Retail Prices:

Standard of Indiana territory: Generally speaking, retail prices are holding fairly firm; the only major reduction during the week was Peoria, Illinois, where third grade was cut 1.6¢ per gallon. A total of 83 points averaging 615,000 gallons monthly, are subnormal approximately 1.1¢ per gallon. Last week: 82 points, same estimated gallonage, at 1.1¢ subnormal.

Standard of Kentucky territory: Retail prices are only fair; subnormal prices prevail at scattered points throughout the territory. Major areas affected are: Atlanta (1¢ on Regular and 4¢ on Third); Augusta (2¢ on Regular and 3½¢ on third). A total of 34 points, involving about 710,000 gallons monthly are subnormal, an average of 1½¢ per gallon, compared with 33 points and 730,000 gallons last week.

Standard of Ohio territory: Columbus, which continues subnormal 4¢ on all grades, is the only point in the State which is so affected.

Standard of Louisiana territory: New Orleans prices were reduced 1½¢ on the 8th (and a further 2¢ on the 10th of June) as a result of Independents, who obtain their supplies principally from Chalmette, posting prices lower than those maintained by Spur, whose normal policy is to sell their single grade at majors' third brand price. This is now the only point in Louisiana territory where subnormal prices prevail; gallonage involved amounts to approximately 335,000 per month.

Magnolia territory: No changes during the week:

Oklahoma: 7 points subnormal—average of 1.1¢—80,000 gallons monthly.

Texas: 5 points subnormal—average of 1.1¢—550,000 gallons monthly.

Total subnormal gallonage Distributing territory approximates 2,600,000, at average of 1.7¢. Last week: 2,300,000 gallons at 1.5¢. Increase is due primarily to New Orleans.

HJ:TH P. E. Lakin

(Handwritten Notation):

"M. McGaw"

NOTE: *It is stipulated* in Exhibit 1043 that this was written by Harry Jacobs, signed by P. E. Lakin and sent to Alexander Fraser.

4886 **GOVERNMENT EXHIBIT NO. 192.**

Letterhead of Shell Petroleum Corporation, St. Louis, Mo.

From: Mr. P. E. Lakin — Date June 21, 1935

No.: — In Re: Price Review Week Ending June 15, 1935

To: Mr. A. Fraser

Tank Car Markets:

Gasoline prices were unchanged, and held steady at current levels, despite the fact that refinery shipments were not up to expectations: continued rain retarded consumption. Prices at the end of the week were:

Group 3	Low	High	Average	Net Change Average	1934 Average
Below 63 Octane	4¾¢	4⅞¢	4 13/16¢	—	4 1/16¢
63-70 Octane	5⅝¢	5¾¢	5 11/16¢	—	4 11/16¢
26-70 Natural	3¢	3¢	3¢	—	1 15/16¢
East Texas					
Below 63 Octane	4⅝¢	4¾¢	4 11/16¢	—	3 7/16¢
63-70 Octane	Not quoted				4⅝¢
Gulf Coast (Domestic)					
60-64 Octane	5⅜¢	5⅜¢	5⅜¢	—	4 15/16¢
65 and above	5½¢	5½¢	5½¢	—	5⅛¢
Western Pennsylvania					
U. S. Motor	6¢	6⅛¢	6 1/16¢	—	5⅞¢
Min. 60 Octane	7¢	7⅛¢	7 1/16¢	—	6 9/16¢
Min. 65 Octane	7¼¢	7⅜¢	7 5/16¢	—	6 15/16¢

No surplus gasoline exists in the Mid-Continent area; inter-refinery buying is at a low level, which tends to indicate that Independent refiners are holding their crude runs within the limits of consumptive demand.

Gasoline shipments from East Texas into Indiana territory have shown some increase, but the volume involved is not alarming; in other respects, conditions in East Texas remain unchanged, with some 3 to 7 refineries, who operate sporadically, processing illegal crude. It is estimated that the production of questionable gasoline amounts to 10,000 barrels a day; included in this figure is gasoline produced from crude oil in storage prior to the enactment of the Connally Bill.

4887 Kerosene:

Continued rains have made field work impossible, and as a result, kerosene, tractor fuel, and distillate consumption has been retarded, with a consequent weakening in price. Lower prices can be anticipated during the next two weeks. Furthermore, the falling off in demand for kerosene and light Fuel Oils on the East Coast, has softened the East Texas price for these commodities (which normally find their way to the Gulf for coastwise movement) and as a result, East Texas refiners are moving an increasing volume of their production into Indiana territory.

Average kerosene prices at the close of the week were:

Group 3: 4.0 (down 1/16¢) East Texas: 3 11/16¢ (down 1/16¢)

Gulf: 4⅛¢ (unchanged) Pennsylvania: 4 13/16¢ (unchanged)

The large acreage in the Middle Western States which remains unplowed as a result of wet weather, will probably lead to unusual plowing activity in the late summer or early fall; as this period will coincide with the time when jobbers normally fill their fuel oil storage, a strong kerosene and distillage market is anticipated towards the middle of September.

Fuel Oils:

While published quotations for fuel oils remain unchanged, a definite weakness in the lighter grades used for tractor fuel purposes is observed. This tendency has been accelerated by the increasing amount of distillate shipped from East Texas into Northern channels, which is in competition with Group 3 material. No. 1 Fuel Oil in East Texas dropped ⅛¢ to an average of 3 1/16¢: at this figure, with a freight differential of 0.3¢ over Group 3, East Texas material can be laid down in certain areas at approximately 0.25¢ below Mid-Continent distillate on the basis of today's prices. Consequently, some further reduction in Group 3 Distillate prices can be anticipated.

Heavy fuel oils are steady with prices unchanged, and demand fair.

Retail Prices:

May was the first month this year, when our Service Station gasoline prices exceeded 1934, the actual weighted average price of all grades combined being:

1934	1935
13.06¢	13.44¢

4888 It is anticipated that the improvement over 1934 prices will continue at an increasing rate over the balance of this year, primarily owing to the vicious price wars which were effective during the last half of 1934.

The following major retail price changes occurred during the week:

On the 14th, Standard of Indiana advanced all grades of gasoline 0.3¢ per gallon, except in the State of Michigan, and a few Counties in Western Kansas.

At Columbus, Ohio, which is already 4¢ subnormal, Standard, on the 12th, reduced a further 1¢. This condition was brought about by the Golco Company, local price cutters, who persisted in selling at 1½¢ below major's third brand.

On the 10th, Gulf and Standard reduced prices of all grades of gasoline at New Orleans 2¢ per gallon: this followed a 1½¢ reduction made on the 8th. The condition was brought about by a "war" between Spur and local price cutters, the latter insisting upon selling at more than 1½¢ below majors' House Brand. (Normal prices restored on the 20th.)

The status of subnormal prices by major territories is as outlined below:

Standard of Indiana territory: Unchanged from last week; 80 points involving 610,000 gallons monthly subnormal, an average of 1.1¢. This figure does not include Michigan.

Standard of Kentucky territory: Unchanged from last week; 34 points covering 710,000 gallons subnormal, an average of 1.5¢. Major points affected: Atlanta, Augusta, and Macon, where prices are 1¢ and 2¢ subnormal.

Standard of Louisiana territory: New Orleans is the only point affected. Monthly volume—335,000 gallons at 3½¢ below normal.

Standard of Ohio territory: Columbus only point subnormal. 275,000 gallons at 5¢ below normal.

Magnolia territory: Unchanged from last week. 12 points involving 628,000 gallons at 1.1¢ below normal.

Total distributing Department subnormal business approximates 2,600,000 gallons monthly (unchanged from last week) at about 2.0¢ subnormal. (1.7¢ last week.)

P. E. Lakin

HJ:TH

(Handwritten notations):

"M. McGaw." "Mr. Lott"

NOTE: *It is stipulated* in Exhibit 1043 that this was written by Harry Jacobs, signed by him with P. E. Lakin's name and sent to Alexander Fraser.

4889 **GOVERNMENT EXHIBIT NO. 193.**

Letterhead of Shell Petroleum Corporation,
St. Louis, Mo.

From: P. E. Lakin Date: August 9, 1935

No. In Re: Price Review
Week Ending
To: Mr. A. Fraser August 3, 1935

Tank Car Markets:

The gasoline market continues strong with shipments held at current high levels. Surplus gasoline in the Mid-Continent area is, so far as we can learn, confined to a single refinery (Waggoner of Electra, Texas), but this surplus is being readily absorbed. Western Pennsylvania prices declined a further ⅛¢, based upon the fact that some 65-octane material was available on the East Coast at 6¢, which was being laid down at Syracuse, Rochester, and Buffalo, for less than Pennsylvania prices. No further decline in these prices is anticipated during the balance of the season. Prices at the end of the week were:

Group 3	Low	High	Average	Net Change Average	1934 Average
Below 65 Octane	4⅞¢	4⅞¢	4 13/16¢	—	4⅛¢
63-70 Octane	5⅝¢	5⅝¢	5 11/16¢	—	4 13/16¢
26-70 Natural	3¼¢	3¼¢	3¼¢	+⅛¢	3.0¢
East Texas					
Below 63 Octane	4⅝¢	4¾¢	4 11/16¢	—	3 15/16¢
63-70 Octane	Not quoted				4 5/16¢
Gulf Coast (Domestic)					
60-64 Octane	5⅜¢	5⅜¢	5⅜¢	—	5⅛¢
65 and above	5½¢	5½¢	5½¢	—	5⅜¢
Western Pennsylvania					
U. S. Motor	5¾¢	6¢	5⅞¢	—	5⅞¢
Min. 60 Octane	6⅝¢	6¾¢	6 11/16¢	⅛¢	6 9/16¢
Min. 65 Octane	6⅞¢	7¢	6 15/16¢	⅛¢	6 15/16¢

The East Texas situation has shown some improvement. Hot oil production has decreased slightly and is now estimated at 40,000 barrels daily. Gasoline derived from
4890 this material is moving into local channels at prices ranging from 3¼¢ to 3¾¢ f. o. b. refinery. All legal gasoline has been readily moved at market prices, and the legal gasoline market is in fairly sound shape.

The Natural gasoline market has strengthened, with every indication of further price advances during the next few months. It is reported that one of the effects of the Texas Conservation Law has been to reduce Natural Gasoline production in the Panhandle from 1,000,000 gallons daily to around 750,000 gallons per day.

Kerosene:

The kerosene market has firmed up consequent upon inquiries for this material, in anticipation of increased demand for "threshing" operations: such surplus material as was on the market has now been disposed of. While no actual price advance was registered in Group 3, no material was available at less than published prices, and this led to ⅛¢ advance in East Texas. Average prices at the close of the week were:

Group 3: 3 5/16¢ (unchanged) East Texas: 3 3/16¢ (up ⅛¢)

Gulf: 3 15/16¢ (unchanged) Pennsylvania: 4 11/16¢ (unchanged)

Wheat threshing operations are now in progress in the South, and as these operations move into the Northern wheat belt, an appreciable increase in demand will occur; as this will just precede the period when jobbers fill their burning oil storage, an advance in prices is anticipated.

Fuel Oils:

Light Fuel Oils participated in the strength shown by kerosene. However, a small volume of distress material in the hands of Gulf Coast brokers forced Gulf price for No. 2 Fuel down 1/16¢; this is regarded as a temporary condition.

Heavy Fuel Oils are holding their own with refiners storing in anticipation of Fall demand.

Retail Prices:

There were no reductions of any consequence during the week: Brunswick, Ga. and Brewton, Ala. were restored to normal, and Terre Haute, Ind. prices advanced 1½¢ to ½¢ below normal. The detail by territories is as follows:

Standard of Indiana: Leading points subnormal—Detroit, Minneapolis, St. Paul, Peoria—all 2¢ below normal.

This week: 94 points involving 3,333,000 gal. at 1.7¢ below normal

Last week: 94 points involving 3,360,000 gal. at 1.7¢ below normal

4891 Standard of Kentucky: Third grade only subnormal at Atlanta, Augusta, Macon—3¢; Louisville—1¢.

This week: 36 points covering 360,000 gal. at 2¢ below normal

Last week: 34 points covering 433,000 gal. at 2¢ below normal

Standard of Louisiana: New Orleans third grade 1½¢ below normal. This is the only subnormal price in this territory. Unchanged from last week.

Standard of Ohio: No subnormal points. Unchanged.

Magnolia territory: Houston 1¢ below normal all grades.

This week: 5 points, involving 450,000 gallons, at 1¢ below normal. Unchanged from last week.

Total Distributing Department:

	Points	Monthly Gallonage	Amount
This week	139	4,240,000	1.6
Last week	135	4,340,000	1.6

P. E. Lakin
per: Jacobs

HJ:TH

(Handwritten notation):
"Mr. Lott"

NOTE: *It is stipulated* in Exhibit 1043 that this was written by Harry Jacobs, signed by him with P. E. Lakin's name and sent to Alexander Fraser.

4892 GOVERNMENT EXHIBIT NO. 194.

Letterhead of Shell Petroleum Corporation, St. Louis, Mo.

From: P. E. Lakin Date August 23, 1935

No. In Re: Price Review Week Ending August 17, 1935

To: Mr. A. Fraser

Tank Car Markets:

The gasoline tank car market continues to maintain its firm position, excepting only in Michigan and Pennsylvania. The entry of Gulf gasoline into Detroit forced the Standard to reduce the Michigan consumer tank car market by one-half cent a gallon on the 13th; while no declines were registered in Pennsylvania prices, that market is soft and some sales are reported at below published prices. Two factors are responsible for this condition: firstly, the policy adopted at numerous points in Ohio of maintaining identical station prices for regular and third grades, which automatically shuts off sales of Pennsylvania gasoline formerly sold in that State as third grade; and, secondly, the increasing use of tetra-ethyl lead by Pennsylvania refiners, which enables them to increase the volume of their gasoline production. These factors led to the accumulation of a local surplus.

Prices at the end of the week were:

Group 3	Low	High	Average	Net Change Average	1934 Average
Below 60 Octane	4¾¢	4⅞¢	4 13/16¢	—	4⅛¢
63-70 Octane	5⅝¢	5¾¢	5 11/16¢	—	4⅞¢
26-70 Natural	3½¢	3½¢	3½¢	—	3.0¢
East Texas					
Below 63 Octane	4⅝¢	4¾¢	4 11/16¢	—	3 15/16¢
63-70 Octane	Not quoted				4 11/16¢
Gulf Coast (Domestic)					
60-64 Octane	5⅜¢	5½¢	5 7/16¢	—	5⅛¢
65 and above	5½¢	5½¢	5½¢	—	5⅜¢
Western Pennsylvania					
U. S. Motor	5⅝¢	5¾¢	5 11/16¢	—	5⅞¢
Min. 60 Octane	6⅝¢	6¾¢	6 11/16¢	—	6 9/16¢
Min. 65 Octane	6⅞¢	7.0¢	6 15/16¢	—	6 15/16¢

4893 The Group 3 market is strong with no distress material available: inter-refinery buying promptly relieves the market of any accumulation of gasoline.

Natural gasoline is firm, with Buyers offering to take any material available at current prices: increasing seasonal demand will undoubtedly force prices to higher levels.

During the week we purchased 15 cars of U. S. Motor 60-62 Gasoline from various East Texas refiners at a price of 4⅝¢ f.o.b. Group 3. This material was delivered to the Houston refinery.

(Handwritten Notation):

"Is this part of any 'plan'? M.G."

Kerosene

The kerosene market is firm with supplies barely balancing demand in the Group 3 area: brokers in the Gulf forced prices down 1/16¢, but an early recovery is anticipated. Average prices are:

Group 3: 3½¢ (Up 1/16¢) Gulf: 3-15/16¢ (Down 1/16¢)

East Texas: 3¼¢ (Unchanged) Pennsylvania: 4-9/16¢ (Unchanged)

Present prices should improve over the balance of the year.

Fuel Oils

Light fuel oils participated in the strength shown by kerosene, advances of 1/16¢ being made in Nos. 1 and 2 in Group 3 and East Texas.

Heavy Fuel Oils continued firm with demand showing some improvement.

Retail Prices

The retail price situation is as described below:

Standard of Indiana territory: On the 13th, inst., all companies in Minneapolis and St. Paul, with the exception of Standard and Sinclair, advanced prices 2¢, thus restoring to normal. Standard refused to advance until the 16th, when they came up only 1¢, and consequently, all other marketers reduced their prices 1¢ to the Standard's level. Details of subnormal prices in the area are:

This week: 97 points, involving 3,333,000 gallons monthly, at 1.4¢ below normal.

4894 Last week: 97 points, involving 3,333,000 gallons monthly, at 1.7¢ below normal.

Standard of Kentucky territory: On the 14th, Standard restored normal prices on regular and premium grades throughout Mississippi, leaving subnormal third grade prices unchanged. No other changes of consequence occurred during the week. Present comparative subnormal points are as follows:

This week: 39 points, covering 399,000 gallons monthly, at 1.6¢ subnormal.

Last week: 38 points, covering 543,000 gallons monthly, at 1.8¢ subnormal.

Standard of Louisiana territory: Unchanged from last week. 7 points, involving 80,000 gallons Silver Shell monthly,—1½¢ below normal.

Standard of Ohio territory: Unchanged from last week: no subnormal points.

Magnolia territory: Unchanged from last week.
5 points, covering 450,000 gallons monthly,—subnormal 1¢.

Total Distributing Department

This week: 149 points, covering 4,284,000 gallons—average of 1.4¢ a gallon.

Last week: 148 points, covering 4,428,000 gallons—average of 1.67¢ a gallon.

HJ:TH P. E. Lakin

(Handwritten Notation):
"M. McGaw p. 2"

4895 GOVERNMENT EXHIBIT NO. 197.

Letterhead of Shell Petroleum Corporation,
St. Louis, Mo.

From: P. E. Lakin — Date September 25, 1935

No: — In Re: Price Review Week Ending September 21, 1935

To: Mr. A. Fraser

Tank Car Markets

Aided by inter-refiner buying, which removed all available surplus, the tank car gasoline market has recovered from the uneasiness reflected during the latter part of last week. On the 17th Group 3 price on below 63 octane material was reduced 1/16¢ but this was recovered on September 19. Other markets remain unchanged.

Tank car prices at the end of the week were:

Group 3	Low	High	Average	Net Change Average	1934 Average
Below 63 Octane	4¾¢	4⅞¢	4 13/16¢	—	3 3/16¢
63-70 Octane	5⅝¢	5¾¢	5 11/16¢	—	4 13/16¢
26-70 Natural	4⅛¢	4⅛¢	4⅛¢	—	3.0¢
East Texas					
Below 63 Octane	4⅝¢	4⅝¢	4⅝¢	—	3 9/16¢
63-70 Octane		Not quoted			4 9/16¢
Gulf Coast—Domestic					
60-64 Octane	5⅜¢	5½¢	5 7/16¢	—	5¼¢
65 and Above	5½¢	5½¢	5½¢	—	5½¢
Western Pennsylvania					
U. S. Motor	5¼¢	5⅜¢	5 5/16¢	—	5 9/16¢
Min. 60 Octane	6½¢	6⅝¢	6 9/16¢	—	6 3/16¢
Min. 65 Octane	6¾¢	6⅞¢	6 13/16¢	—	6 9/16¢

Recent reduction in the tank wagon price in Detroit Area has resulted in a reduction of ¾¢ per gallon in the tank car consumer prices in the Detroit Metropolitan Area on September 17. This reduction equalizes the consumer tank car price with the net tank wagon price.

During the week we purchased 20 cars of Third Grade Gasoline from the Texas and Pacific Oil Company, Ft. Worth, Texas, at the low of the Platt's Oilgram, North Texas quotation on date of shipment.

4896 Kerosene

There were no changes in kerosene prices during the week. Demand is steady and in line with current offerings.

Fuel Oils

With the exception of No. 5, which registered a reduction of 1¼¢ per barrel on September 19, fuel oil price remained firm, with limited offerings of heating oils. No. 3 fuel oil advanced 1/16¢ on September 17.

Retail Prices

There were no general price changes during the week under review. Tank wagon and service station prices remain unchanged, except New Orleans, Louisiana, where third grade was reduced 1¢ on the 17th.

Standard of Indiana Territory:

Unchanged from last week. Details are as follows:

This week: 128 points— 9,638,000 gallons—subnormal 1.6¢
Last week: 128 points—*9,638,000 gallons—subnormal 1.6¢
*correction 10,000 gallons.

Standard of Kentucky Territory:

Unchanged from last week.
41 points—435,000 gallons—subnormal 1.6¢.

Standard of Louisiana Territory

On September 17 Standard reduced third grade gasoline 1¢ per gallon in New Orleans, thus establishing a 5¢ differential between regular and third grade. Details are as follows:

This week: 7 points—80,000 gallons—subnormal 3.2¢
Last week: 7 points—80,000 gallons—subnormal 2.2¢

Standard of Ohio Territory

Unchanged. No subnormal prices.

Magnolia Territory

Unchanged from last week.
6 points—450,000 gallons—subnormal 1¢.

4897 Total Distributing Territory

This week: 183 points—10,624,000 gallons—subnormal 1.6¢
Last week: 183 points—10,614,000 gallons—subnormal 1.5¢

Retail Marketing Developments

On September 16 the Standard of Kentucky adopted the policy of allowing railroads and road contractors a discount of 2¢ per gallon on regular, 1½¢ on third grade, from posted tank wagon price at time of delivery, immaterial of quantity. When monthly purchases are 25,000 gallons or more an additional discount of 1¢ will be paid.

JHW:M P. E. Lakin

(Handwritten Notation):
"McGaw"

4898 **GOVERNMENT EXHIBIT NO. 198.**

Letterhead of Shell Petroleum Corporation,
St. Louis, Mo.

From: P. E. Lakin — Date October 2, 1935

No.

To: Mr. A. Fraser — In Re: Price Review
Week Ending
September 28, 1935

Tank Car Markets

With the exception of Western Pennsylvania, where a reduction of 1/8¢ occurred on U. S. Motor on September 23, Tank Car markets remain firm. The small amounts of surplus material available in Mid-Continent and Texas areas is promptly removed by inter-refiner buying. Contract movements are steady, spot buying inactive.

The reduction in Western Pennsylvania market was precipitated by offering of surplus material at prices below the current postings.

It is encouraging to note that continued low prices of California crude oil have not as yet affected Mid-Continent and Gulf gasoline prices.

Tank car prices at the end of the week were:

Group 3	Low	High	Average	Net Change Average	1934 Average
Below 63 Octane	4⅜¢	4⅜¢	4 13/16¢	—	3⅝¢
63-70 Octane	5⅝¢	5⅝¢	5 11/16¢	—	4 13/16¢
26-70 Natural	4⅛¢	4⅛¢	4⅛¢	—	3.0¢
East Texas					
Below 63 Octane	4⅜¢	4⅜¢	4⅜¢	—	3½¢
63-70 Octane	Not quoted				4 9/16¢
Gulf Coast Domestic					
60-64 Octane	5⅜¢	5½¢	5 7/16¢	—	5¼¢
65 and above	5½¢	5½¢	5½¢	—	5½¢
Western Pennsylvania					
U. S. Motor	5⅛¢	5¼¢	5 3/16¢	—⅛¢	5½¢
Min. 60 Octane	6½¢	6⅝¢	6 9/16¢	—	6⅛¢
Min. 65 Octane	6⅝¢	6¾¢	6 13/16¢	—	6½¢

4899 During the week we made the following gasoline purchases:

10 cars Third Grade, from Taxman Refining Co., Wichita Falls, Texas, at 4.585¢ f.o.b. Wichita Falls.

15 cars Third Grade, from Cushing Refining Co., at the low C. J. quotation for below 63 Octane f.o.b. Cushing.

Kerosene

On the 23rd, East Texas price advanced 1/16¢ recovering a reduction of similar amount made on August 27th. Demand is steady and in line with current offerings. Prices at September 28th were as follows:

Group 3: 3-7/16¢ (unchanged) East Texas: 3¼¢ (Up 1/16¢).

Gulf: 4.0¢ (Unchanged) W. Pennsylvania: 4-11/16¢ (Unchanged).

Fuel Oils

Light Fuel Oil prices in Mid-Continent areas are firm with demand keeping pace with production. The Group 3 price of No. 3 Domestic Zero advanced 1/16¢ on the 27th. However, due to inactivity, the Gulf Domestic price on No. 2 Fuel Oil declined 1/16¢ and East Texas price on Gas Oil declined ⅛¢.

Heavy Fuel Oil prices continue "soft." On the 27th the Group 3 price of No. 5 Industrial 15 and above declined 1¼¢ per barrel, while East Texas price on No. 4 registered a decline of 2½¢ per barrel under the preceding week.

Michigan fuel oils are reported available in some quantity for Chicago and nearby shipment with delivered prices as low as ½¢ under Mid-Continent quotations.

Retail Prices

There were no general price changes during the week. A few local adjustments occurred, details of which are outlined below:

Standard of Indiana territory

On the 24th Standard reduced Regular 1.5¢, Third Grade 1.6¢ in Fort Wayne, Indiana. On the 23rd Standard reduced Regular 1.3¢ in City of Kalamazoo, Michigan, bringing price to 2.3¢ below normal. Summary of subnormal statement follows:

4900 This week: 131 points—9,826,000 gallons—subnormal 1.6¢.

Last week: 128 points—9,638,000 gallons—subnormal 1.6¢.

Standard of Kentucky Territory

On the 23rd Standard advanced prices of Regular and Ethyl 1½¢ per gallon at Tampa, Florida to the statewide structure. Summary of subnormal prices follows:

This week: 41 points—332,000 gallons—subnormal 1.6¢.

Last week: 41 points—435,000 gallons—subnormal 1.6¢.

Standard of Louisiana Territory

On the 27th Standard advanced Third Grade gasoline 2¢ per gallon in New Orleans, Louisiana, reducing the differential between Regular and Third to 3¢. Summary of subnormal prices follows:

This week: 7 points—80,000 gallons—subnormal 1.4¢.

Last week: 7 points—80,000 gallons—subnormal 3.2¢.

Standard of Ohio territory

Unchanged. No subnormal prices.

Magnolia Territory

September 28th, Mid-Continent reduced Third Grade gasoline 1¢ per gallon at Tulsa, Oklahoma. September 19th, at Cleveland, Texas Regular and Ethyl advanced 1¢ per gallon to normal, Third Grade remains at 1¢ below normal. Summary of subnormal prices follows:

This week: 7 points—456,000 gallons—subnormal 1¢.

Last week: 6 points—450,000 gallons—subnormal 1¢.

Total Distributing Territory

This week: 186 points—10,714,000 gallons—subnormal 1.6¢.

Last week: 182 points—10,624,000 gallons—subnormal 1.6¢.

JHW:LP P. E. Lakin

(Handwritten Notation):

"M. McGaw"

4901 GOVERNMENT EXHIBIT NO. 199.

Letterhead of Shell Petroleum Corporation,
St. Louis, Mo.

From: P. E. Lakin — Date: October 9, 1935

No. — In Re: Price Review Week Ending October 5, 1935

To: Mr. A. Fraser

Tank Car Markets

Tank car gasoline prices remain unchanged, with the exception of consumer tank car prices in Michigan, which are discussed in a later section. At present there is a small surplus of gasoline in the Oklahoma market which will probably be removed in the immediate future through inter-refiner purchases.

East Texas material is moving at steady levels with surplus currently removed through inter-refiner purchases.

Tank car prices at the end of the week were:

Group 3	Low	High	Average	Net Change Average	1934 Average
Below 63 Octane	4¾¢	4⅞¢	4 13/16¢	—	3 9/16¢
63-70 Octane	5⅝¢	5¾¢	5 11/16¢	—	4 11/16¢
26-70 Natural	4⅛¢	4⅛¢	4⅛¢	—	3.0¢
East Texas					
Below 63 Octane	4⅝¢	4⅝¢	4⅝¢	—	3⅛¢
63-70 Octane	Not quoted				4 5/16¢
Gulf Coast Domestic					
60-64 Octane	5⅜¢	5½¢	5 7/16¢	—	5⅛¢
65 and above	5½¢	5½¢	5½¢	—	5⅝¢
Western Pennsylvania					
U. S. Motor	5⅛¢	5¼¢	5 3/16¢	—	5 7/16¢
Min. 60 Octane	6½¢	6⅝¢	6 9/16¢	—	6⅛¢
Min. 65 Octane	6¾¢	6⅞¢	6 13/16¢	—	6 7/16¢

On the 7th Standard reduced the tank car consumer prices in the lower peninsula of Michigan to the following level f.o.b. Tulsa:

69-70 Octane 3.75¢ 62-64 Octane 3.25¢
66-68 Octane 3.50¢ 60 and below 3.00¢

4902 (Handwritten Notation): "Unquestionably will be worse during winter months."

This represents a reduction of ¼¢ in the Detroit Metropolitan Area and 1¢ in the balance of the lower peninsula. This reduction was made to meet the competition of Chicago brokers and Hi-Speed who have been quoting below the current structure. It is apparent that the material offered by brokers is Michigan gasoline.

In connection with the importation of Gulf gasoline into Detroit which involved the use of barges of Gotham Terminals, Inc., for marine storage facilities, we are now advised that the State Fire Marshall has secured compliance with regulations which prohibits the unloading of barges without adequate marine terminal facilities. There is an unconfirmed report that the operators are planning the erection of necessary marine terminal facilities in the near future.

Kerosene

Kerosene prices are firm with demand steady. The East Texas price advanced ⅛¢ on the 3rd.

Fuel Oils

Light Fuel Oil prices in Mid-Continent Area are firm with demand good.

The Group 3 price of 32/36 Industrial gas oil was reduced 1/16¢ on the 4th. The East Texas price of 32/36 Gasoil advanced 1/16¢ on September 30th.

Heavy Fuel Oil prices continue "soft", with considerable volume moving at below the posted price. Demand is small, due principally to reduced buying by railroads.

Retail Prices

Only a few local adjustments occurred during the week under review.

In Metropolitan Areas there is noted a tendency to return to the practice of giving premiums. Under canopy cutting, which is traceable to guaranteed margins, continues to present a difficult problem.

Details of local adjustments and subnormal prices are outlined below:

Standard of Indiana Territory:

On September 30th station price Regular in Kalamazoo Circuit reduced 1.6¢ to equalize price with city of Kalamazoo.

4903 On September 20th in the State of Michigan, normal prices advanced 3/10¢, thus bringing normal prices in Michigan in line with balance of territory. On June 14th Michigan normal prices were not affected by general territorial price advance of 3/10¢.

Summary of subnormal prices follows:

This week 132 points—9,828,000 gallons—1.7¢ subnormal.

Last week 131 points—9,826,000 gallons—1.6¢ subnormal.

Standard of Kentucky:

A few local adjustments occurred during the week. Summary of subnormal prices follows:

This week 41 points—287,000 gallons—1.4¢ subnormal.

Last week 41 points—332,000 gallons—1.6¢ subnormal.

Standard of Louisiana:

On October 3rd Standard established a normal differential of 1¢ between station price of Regular and Third Grade. Formerly differential was from 1¢ to 2¢ depending upon local conditions. As the price of Third Grade at Memphis and New Orleans was not changed, price of Third Grade at Memphis is now 1¢ subnormal and at New Orleans 2¢ subnormal.

Summary of subnormal prices follows:

This week 7 points—88,000 gallons—1.9¢ subnormal.

Last week 7 points—80,000 gallons—1.4¢ subnormal.

Standard of Ohio territory:

Unchanged—No subnormal prices.

Magnolia Territory:

On the 4th at Houston, Regular and Ethyl advanced 1¢ to normal. Summary of subnormal prices follows:

This week 7 points—260,000 gallons—1¢ subnormal.

Last week 7 points—456,000 gallons—1¢ subnormal.

Total Distributing Department:

This week—188 points—10,484,000 gallons—1.7¢ subnormal.

Last week—186 points—10,714,000 gallons—1.6¢ subnormal.

4904 Detail Marketing Developments

On October 3rd, Standard of Louisiana adopted the following policy relating to the sale of Third Grade gasoline to dealers:

Normal differential between station prices of Regular and Third Grade established at 1¢ (formerly 1¢ to 2¢, depending on local conditions).

Dealer Margin, including Rental:

On Normal Station price	3¼¢	(Formerly 3¢)
On Subnormal Station price dealer absorbs one-half of reduction with minimum of	1¾¢	(Formerly 2½¢ in Louisiana and Tennessee, 1½¢ in Arkansas).

JHW:LP

P. E. Lakin

(Handwritten Notation):
"M. McGaw"

4905 **GOVERNMENT EXHIBIT NO. 200.**

Letterhead of Shell Petroleum Corporation, St. Louis, Mo.

From: P. E. Lakin **Date: October 16, 1935**

No. **In Re: Price Review Week Ending October 12, 1935**

To: Mr. A. Fraser

Tank Car Markets

Tank car gasoline prices remain unchanged. The small surplus reported last week has since been absorbed through inter-refiner purchases. Prices at end of week are considered firm.

Tank car prices at the end of the week were:

Group 3	Low	High	Average	Net Change Average	1934 Average
Below 63 Octane.	4¾¢	4⅞¢	4 13/16¢	—	3 3/16¢
63-70 Octane	5⅝¢	5¾¢	5 11/16¢	—	4½¢
28-70 Natural	4⅛¢	4⅛¢	4⅛¢	—	3.0¢
East Texas					
Below 63 Octane	4⅝¢	4⅝¢	4⅝¢	—	2 11/16¢
63-70 Octane	Not quoted				3¾¢
Gulf Coast Domestic					
60-64 Octane	5⅜¢	5½¢	5 7/16¢	—	5¢
65 and above	5½¢	5½¢	5½¢	—	5¼¢
Western Pennsylvania					
U. S. Motor	5⅛¢	5¼¢	5 3/16¢	—	5⅜¢
Min. 60 Octane	6½¢	6⅝¢	6 9/16¢	—	6⅛¢
Min. 65 Octane	6¾¢	6⅞¢	6 13/16¢	—	6 7/16¢

During the week we purchased ten cars Third Grade gasoline from Cushing Refining Company at 4¾¢ f. o. b. Cushing.

Kerosene

Group 3 price advanced 1/16¢ on the 7th recovering a similar decline made on August 28. Demand is steady.

Fuel Oils

Fuel Oil prices remain unchanged. Demand for
4906 Light Fuel Oils has decreased slightly due to moderate weather experienced in major portion of our territory.

Retail Prices

Guaranteed Dealer Margins in the Indiana territory continue to threaten retail prices. Commission agency operation, especially in Indiana, Kansas, Missouri and Iowa, is also a factor causing uneasiness in the retail market. Aside from the foregoing, the new marketing policy in Iowa is working satisfactorily.

A few local adjustments were made during the week, the principal points being outlined in the analysis given below. It is well to note that a large portion of our gallonage is still going at subnormal prices, viz. Detroit 3.5¢ subnormal, Chicago 1.5¢ subnormal, Kansas City 2¢ subnormal, Milwaukee 2¢ subnormal.

Details of individual territories are as given below:

Standard of Indiana Territory:

On the 7th at Terre Haute, Indiana, Regular and Premium advanced ½¢ per gallon to normal. Third Grade remains 1¢ below normal.

On the 12th at Battle Creek, Michigan, Regular was reduced 4/10¢, Third Grade 8/10¢.

On the 10th at Ft. Wayne, Indiana, Regular advanced 1½¢ to normal, Third Grade advanced 1.1¢ per gallon. Third Grade remains at ½¢ below normal.

Summary of subnormal prices follows:

This week: 131 points 9,536,000 gallons 1.7¢ subnormal.
Last week: 132 points 9,828,000 gallons 1.7¢ subnormal.

Standard of Kentucky Territory:

The use of Third Grade as a fighting brand has resulted in large differentials at a number of points. This, however, is being watched very closely to protect house brand.

On the 5th at Greenwood, Mississippi, Regular and Ethyl reduced 1¢, Third Grade 4¢. On the 8th at Clarksdale, Mississippi, Regular and Ethyl cut 1¢. Summary of subnormal prices follows:

This week: 41 points 341,000 gallons 1.4¢ subnormal.
Last week: 41 points 287,000 gallons 1.4¢ subnormal.

4907 Standard of Louisiana Territory:

Summary of subnormal prices follows:

This week: 8 points 88,000 gallons 1.9¢ subnormal.
Last week: 7 points 88,000 gallons 1.9¢ subnormal.

Standard of Ohio Territory:

Unchanged—No subnormal prices.

Magnolia Territory:

Unchanged from last week.

7 points 260,000 gallons 1¢ subnormal.

Total Distributing Department

This week: 188 points 10,246,000 gallons 1.7¢ subnormal.

Last week: 188 points 10,484,000 gallons 1.7¢ subnormal.

Retail Marketing Developments

The Standard of Kentucky and Standard of Ohio have recently announced new marketing policies which are in line with previous discussions. The principal feature of the policies is the "sharing" of local reduction by the jobber, dealer and commission agents.

The State of Wisconsin adopted a Chain Store Tax Bill on October 4. This bill carries special rates on Service Stations ranging from $3.00 on the first unit to $50.00 for those in excess of forty. Due to the very broad definition of the term "motor fuel distributing company" outlined in the bill, it is impossible at this time to advise what changes in operations can be made to avoid this tax. The problem is now being considered by our Legal Department.

JHW:M P. E. Lakin

(Handwritten Notation):

"M. McGaw"

4908 **GOVERNMENT EXHIBIT NO. 201.**

Letterhead of Shell Petroleum Corporation, St. Louis, Mo.

From: P. E. Lakin **Date: October 23, 1935**

No. **In Re: Price Review Week Ending October 19, 1935**

To: Mr. A. Fraser

Tank Car Markets

Tank car gasoline prices remain unchanged. At present there is a very small surplus available in the Oklahoma market, which will be removed during the succeeding week through inter-refiner buying.

The East Texas market is firm with no surplus available. We failed to record in our previous report a 1/16¢ advance on "below 63 octane" which occurred on October 11.

The firm tone in the tank car market is influenced by the sustained demand and adjusted refinery throughput. Group 2 refiners are watching allocations very closely.

The Group 3 price of 26-70 Natural Gasoline was reduced 1/16¢ on the 16th. Prices are weak and further decreases may be expected.

Tank car prices at end of week were:

Group 3	Low	High	Average	Net Change Average	1934 Average
Below 63 Octane	4¾¢	4⅞¢	4 13/16¢	—	3 1/16¢
63-70 Octane	5⅝¢	5¾¢	5 11/16¢	—	4⅜¢
26-70 Natural	4¢	4⅛¢	4 1/16¢	—1/16¢	2 5/16¢
East Texas					
Below 63 Octane	4⅝¢	4¾¢	4 11/16¢	—1/16¢	2 11/16¢
63-70 Octane	Not quoted				3 11/16¢
Gulf Coast Domestic					
60-64 Octane	5⅜¢	5½¢	5 7/16¢	—	4⅞¢
65 and above	5½¢	5½¢	5½¢	—	5⅛¢
Western Pennsylvania					
U. S. Motor	5⅛¢	5¼¢	5 3/16¢	—	5¼¢
Min. 60 Octane	6½¢	6⅝¢	6 9/16¢	—	6⅛¢
Min. 65 Octane	6¾¢	6⅞¢	6 13/16¢	—	6 7/16¢

4909 Kerosene

Kerosene prices remain unchanged.

Fuel Oil Prices

Light fuel oil prices are firm. Although the prices for Heavy Fuels remain unchanged, demand is still "lagging" due principally to reduced buying on the part of railroads.

Retail Prices

Retail prices are still unsteady due to the presence of the guaranteed margin in the Indiana territory and the activities of tire company stores. The national discounts granted the tire companies are having an unfavorable reaction on retail prices, especially in larger centers, notably Minneapolis, St. Louis, Ft. Wayne and Paducah, Kentucky. The Firestone stores are the worst offenders.

Except for the reduction in tank wagon price of Regular, Third Brand and Truck and Bus gasoline in Chicago Metropolitan Area, and reduction in Dealer Price at Des Moines, Iowa, there were only a few local reductions during the week.

Another item of interest is the tendency to increase the octane rating of Third Grade gasoline in the Southeast. A recent test of Kyso Green taken at Louisville disclosed an octane of 64.0. This condition will be watched closely to determine the effect on the sale of Regular.

We have also noted a tendency on the part of Group 2 refiners to increase the octane rating on Third Grade being shipped into the Indiana Territory to 62 with occasional shipments ranging up to 65.

Details of local price reductions and comparison of sub-normal prices are given below:

Standard of Indiana Territory

On the 17th tank wagon price Regular in Chicago Metropolitan Area reduced 1½¢ thus establishing 2¢ differential between wagon and station price; on the 19th tank wagon price Third reduced ½¢, equalizing the wagon prices of Regular and Third, and Truck and Bus gasoline was reduced 6/10¢.

On the 19th at Des Moines, Iowa, the dealer price on Third grade was reduced 1¢ per gallon. This reduction

due to low prices posted by Independents and trackage stations.

4910 A few additional local adjustments in station prices occurred during the week. Summary of subnormal prices follows:

This week: 134 points 9,555,000 gallons 1.7¢ subnormal.

Last week: 131 points 9,536,000 gallons 1.7¢ subnormal.

Standard of Kentucky Territory

No important changes. Summary of subnormal prices follows:

This week: 42 points 341,000 gallons 1.4¢ subnormal.

Last week: 41 points 341,000 gallons 1.4¢ subnormal.

Standard of Louisiana Territory

No important changes. Summary of subnormal prices follows:

This week: 7 points 88,000 gallons 1.9¢ subnormal.

Last week: 8 points 88,000 gallons 1.9¢ subnormal.

Standard of Ohio Territory.

Unchanges—No subnormal points.

Magnolia Territory

No important changes. Summary of subnormal prices follows:

This week: 6 points 260,000 gallons 1¢ subnormal.

Last week: 7 points 260,000 gallons 1¢ subnormal.

Total Distributing Department

This week: 190 points 10,265,000 gallons 1.7¢ subnormal.

Last week: 188 points 10,246,000 gallons 1.7¢ subnormal.

Retail Marketing Developments

A revised marketing policy for the Louisiana Territory will be announced in the immediate future. In general the plan will follow the principals set out in the policies covering the Kentucky Territory.

P. E. Lakin

JHW:M

(Handwritten Notation):

"M. McGaw"

4911 **GOVERNMENT EXHIBIT NO. 202.**

Letterhead of Shell Petroleum Corporation, St. Louis, Mo.

From P. E. Lakin — Date October 30, 1935

No. — In Re: Price Review Week Ending October 26, 1935

To: Mr. A. Fraser

With the exception of Western Pennsylvania, tank car gasoline prices remain unchanged. On the 24th the Western Pennsylvania price on 60 and 65 octane material advanced 1/8¢ recovering a similar reduction made on August 20.

Tank car prices are strong with refinery throughput in line with demand.

The adjustment of California Crude Oil prices on the 26th removes a factor which had caused some uneasiness in Mid-Continent markets since the latter part of August.

The small surplus referred to in our previous report has been removed by inter-refiner purchases.

The Group 3 price of 26-70 natural gasoline was reduced 1/4¢ below prices of the preceding week. There were reductions of 1/16¢ on each of the following dates: October 21, 22, 23, 25. Prices are weak due primarily to overproduction in the Panhandle District.

Tank car prices at end of week were:

Group 3	Low	High	Average	Net Change Average	1934 Average
Below 63 Octane	4¾¢	4⅞¢	4 13/16¢	—	3.0¢
63-70 Octane	5⅝¢	5¾¢	5 11/16¢	—	4⅝¢
26-70 Natural	3¾¢	3⅞¢	3 13/16¢	—1/4¢	2 5/16¢
East Texas					
Below 63 Octane	4⅝¢	4¾¢	4 11/16¢	—	2¾¢
63-70 Octane	Not quoted				3¾¢
Gulf Coast Domestic					
60-64 Octane	5⅝¢	5⅞¢	5 7/16¢	—	4⅞¢
65 and above	5½¢	5½¢	5½¢	—	5⅛¢
Western Pennsylvania					
U. S. Motor	5⅛¢	5¼¢	5 3/16¢	—	5⅛¢
Min. 60 Octane	6⅝¢	6¾¢	6 11/16¢	+⅛¢	6⅛¢
Min. 65 Octane	6⅞¢	7¢	6 15/16¢	+⅛¢	6 7/16¢

4912 During the week we purchased ten cars Third Grade from Bell Oil & Gas Company, Grandfield, Oklahoma, at 4¾¢ f.o.b. Grandfield or Tulsa, whichever is lower.

Kerosene

Kerosene prices remain unchanged.

Fuel Oil

Fuel Oil prices remain unchanged. Demand for light fuels is affected by the mild weather. Heavy fuels are inactive.

Retail Prices

Retail price situation is unchanged from last week.

A large portion of our gallonage in Standard of Indiana territory is still going at subnormal prices. However, due to the changed attitude of certain suppliers of major jobbers in the Chicago area, there exists a possibility of restoring normal or near normal prices in the aforementioned area. This is important as Chicago acts as a nerve center in the Midwest.

In the State of Ohio, and particularly Cleveland, retail prices are a bit shaky due to the action of major's jobbers, principally Atlantic Refining Company.

During the week only a few local adjustments were made. Comparison of subnormal prices follows.

Standard of Indiana Territory:

No important changes. Summary of subnormal prices follows:

This week 135 points 9,556,000 gallons 1.7¢ subnormal.
Last week 134 points 9,555,000 gallons 1.7¢ subnormal.

Standard of Kentucky Territory:

No important changes. Summary of subnormal prices follows:

This week 44 points 341,000 gallons 1.4¢ subnormal.
Last week 42 points 341,000 gallons 1.4¢ subnormal.

4913 Standard of Louisiana Territory:

Unchanged from last week.

7 points 88,000 gallons 1.9¢ subnormal.

Standard of Ohio Territory:

Unchanged—No subnormal points.

Magnolia Territory:

Unchanged from last week.

6 points 260,000 gallons 1¢ subnormal.

Total Distributing Department

This week 193 points 10,266,000 gallons 1.7¢ subnormal.

Last week 190 points 10,265,000 gallons 1.7¢ subnormal.

General

The practice of permitting jobbers to truck their gasoline requirements out of refiners in Kansas and Oklahoma is increasing and will require attention in the near future. The transportation saving is frequently passed on to the dealers and peddlers.

P. E. Lakin

JHW:M

4914 **GOVERNMENT EXHIBIT NO. 203.**

Letterhead of Shell Petroleum Corporation,
St. Louis, Mo.

From P. E. Lakin — Date November 20, 1935

No. — In Re: Price Review
Week Ending
November 16, 1935

To: Mr. A. Fraser

Tank Car Markets

Tank car gasoline prices are firm. A little surplus has developed in the Mid-Continent and East Texas markets but this will be removed during the succeeding week through inter-refiner buying. Oklahoma and Kansas are in good shape with little activity by brokers. The situation is encouraging in view of declining consumption.

Group 3 price of 26-70 Natural gasoline recovered an additional ⅛¢ during the week.

Tank car prices at end of week were:

Group 3	Low	High	Average	Net Change Average	1934 Average
Below 63 Octane	4¾¢	4⅞¢	4 13/16¢	—	4⅛¢
63-70 Octane	5⅝¢	5¾¢	5 11/16¢	—	4 13/16¢
26-70 Natural	4¢	4¢	4¢	+⅛¢	3 1/16¢
East Texas					
Below 63 Octane	4⅝¢	4¾¢	4 11/16¢	—	4⅛¢
63-70 Octane	Not quoted				4 9/16¢
Gulf Coast Domestic					
60-64 Octane	5⅝¢	5⅞¢	5 7/16¢	—	4⅞¢
65 and above	5½¢	5⅝¢	5 9/16¢	—	5⅛¢
Western Pennsylvania					
U. S. Motor	5¼¢	5⅜¢	5 5/16¢	—	5 1/16¢
Min. 60 Octane	6¾¢	6⅞¢	6 13/16¢	—	6⅛¢
Min. 65 Octane	7¢	7⅛¢	7 1/16¢	—	6 7/16¢

Kerosene

Kerosene prices unchanged.

Fuel Oils

Light fuel oil prices firm. On the 11th the Western Pennsylvania price of 36/40 advanced ⅛¢ per gallon.

4915 Heavy fuels inactive. On the 14th East Texas price of 20/24 fuel oil reduced 1¼¢ per barrel.

Retail Prices

Except for Grand Rapids, Michigan, and a few local adjustments detailed below, retail prices in Indiana territory remain approximately unchanged from last week. Minneapolis market is weak but holding.

In view of the difficulties encountered in the Chicago market stabilization efforts are now focused on the Kansas City prices and there is a reasonable possibility of effecting some increase in the near future.

Details of local price adjustments and comparison of subnormal prices is outlined below:

Standard of Indiana Territory:

November 6, Jacksonville, Illinois station price Regular reduced 2¢; November 12, Galesburg, Illinois station price Regular reduced 1¢; St. Cloud, Minnesota Third Grade reduced 2¢. On the 14th dealer prices Regular and Third Grade restored to normal.

Comparison of subnormal prices follows:

This week 136 points 9,644,000 gallons 1.7¢ subnormal
Last week 136 points 9,558,000 gallons 1.7¢ subnormal

Standard of Kentucky Territory:

Unchanged from last week.
41 points 220,000 gallons 1.5¢ subnormal

Standard of Louisiana Territory:

Unchanged from last week.
7 points 88,000 gallons 1.9¢ subnormal

Standard of Ohio Territory:

Unchanged—No subnormal prices.

Magnolia Territory:

Unchanged from last week.
6 points 260,000 gallons 1¢ subnormal

4916 Total Distributing Department:

This week 191 points 10,232,000 gallons 1.7¢ subnormal
Last week 191 points 10,146,000 gallons 1.7¢ subnormal

General

While not strictly a part of this report, we believe it advisable to record here an announcement by Standard of Kentucky that gasoline prices in the State of Florida will be increased ½¢ on the 18th.

JHW:M P. E. Lakin

(Handwritten Notation):
"M. McGaw"

4917 **GOVERNMENT EXHIBIT NO. 204.**

Letterhead of Shell Petroleum Corporation,
St. Louis, Mo.

From: P. E. Lakin — Date: December 6, 1935

No.: — In Re: Price Review Week Ending November 30, 1935

To: Mr. A. Fraser

Tank Car Markets

The price reduction in low octane East Texas material which occurred last week was reflected in the Group 3 market which experienced a similar decline during the week under review. The possibility of any further reduction is extremely remote, as latest figures indicate that Mid-Continent refiners are cutting their runs to conform to seasonal decline in consumption, and further, a heavy buying movement in East Texas is getting "under way" which will no doubt relieve that area of any distress material. Prices at the end of the week were:

Group 3	Low	High	Average	Net Change Average	1934 Average
Below 63 Octane	4⅝	4⅞	4¾	—1/16	4⅛
63-70 Octane	5⅝	5¾	5 11/16	—	4 13/16
26-70 Natural	4⅛	4⅛	4⅛	+1/16	3 5/16
East Texas					
Below 63 Octane	4⅝	4⅝	4⅝	—	4⅛
63-70 Octane		Not quoted			4⅝
Gulf Coast (Domestic)					
60-64 Octane	5⅜	5½	5 5/16	—	4¾
65 and above	5½	5⅝	5 9/16	—	5.0
Western Pennsylvania					
U. S. Motor	5¼	5⅜	5 5/16	—	5 1/16
Min. 60 Octane	6⅜	6⅛	6 13/16	—	6⅛
Min. 65 Octane	7.0	7⅛	7 1/16	—	6 7/16

Kerosene

Brisk demand by Gulf brokers resulted in East Texas prices advancing 1/16¢ partially recovering the loss sustained last week. Demand in the Mid-Continent held fairly constant and prices were strong at current levels, which are:

Group 3: 3½¢ (unchanged) — East Texas: 3⅛¢ (up 1/16¢)
Gulf: 4.0 " — Pennsylvania: 4 13/16¢ (unchanged)

4918 Fuel Oils

There was a brisk demand for Light Fuel Oils as a result of which Nos. 2 and 3 advanced 1/16¢: Heavy fuel oils remained unchanged with demand steady.

Retail Markets

The only general price change during the week under review was ½¢ advance on the 25th in the States of Louisiana, Arkansas, Georgia, Alabama and Mississippi.

Standard of Indiana Territory:

On the 26th prices were advanced 2¢ at Kansas City, Missouri, thus restoring to normal levels. Details of subnormal prices in this area are:

This week: 136 points—1.7¢ below normal—8,960,000 gallons monthly.

Last week: 138 points—1.7¢ below normal—9,689,000 gallons monthly.

Standard of Kentucky Territory:

Unchanged from last week.

37 points 1.5¢ subnormal covering 235,000 gallons monthly.

Standard of Louisiana Territory:

Unchanged from last week.

points 1.9¢ below normal involving 88,000 gallons monthly.

Standard of Ohio Territory:

Unchanged—no subnormal points.

Magnolia Territory:

On the 27th Silver Shell prices in Houston were advanced 1¢, thus restoring to normal levels. Details of this area are:

This week: 5 points 1.1¢ below normal 102,000 gallons monthly.

Last week: 6 points 1.0¢ below normal 260,000 gallons monthly.

Total Distributing Territory:

This week: 186 points 1.7¢ below normal 9,405,000 gallons monthly.

Last week: 189 points 1.7¢ below normal 10,294,000 gallons monthly.

P. E. Lakin

HJ:M

4919 **GOVERNMENT EXHIBIT NO. 209.**

Letterhead of Shell Petroleum Corporation,
St. Louis, Mo.

From: P. E. Lakin Date: March 28, 1936

No.: In Re: Price Review
Week Ending
To: Mr. A. Fraser March 21, 1936

Tank Car Markets

Gasoline

The gasoline market indicates a much firmer tone, particularly in East Texas: in this area, surplus stocks from legal crude are negligible, and refiners are having some difficulty in meeting orders for third grade material, the price of which advanced 1/8¢.

A much more optimistic feeling prevails in the Mid-Continent area: Shreveport—El Dorado refiners are encountering some difficulty in moving their production, owing to a temporary decline in purchases by Major Companies in this area: Prices at the close of the week were:

Group 3	Low	High	Average	Net Change Average	1935 Average
Below 63 Octane	5.0	5¼	5⅛	—	3 15/16
63-70 Octane	6.0	6¼	6⅛	—	4⅛
26-70 Natural	3.0	3.0	3.0	—	2⅛
East Texas					
Below 63 Octane	5.0	5.0	5.0	+⅛	3 15/16
63-70 Octane		Not quoted			4 9/16
Gulf Coast (Domestic)					
60-64 Octane	6.0	6.0	6.0	—	4 15/16
65 and above	6⅛	6¼	6 3/16	—	5⅛
Western Pennsylvania					
U. S. Motor	5⅝	5¾	5 11/16	—	4 15/16
Min. 60 Octane	7.0	7⅛	7 1/16	—	5 15/16
Min. 65 Octane	7¼	7⅜	7 5/16	—	6 3/16

Kerosene

The upward trend of kerosene continues: stocks are being heavily drawn upon, and much East Texas material

which formerly moved to the Gulf is now being shipped
4920 into group 3 territory. The sale of some 25,000 barrels of East Texas kerosene for line washing purposes relieved that market of its entire surplus stocks. Average prices at the close of the week were:

Group 3:	4¼¢ (up 1/16¢)	East Texas:	4.0¢ (up 3/16¢)
Gulf :	3⅞¢ (unchanged)	Pennsylvania:	5 5/16¢ (unchanged)

Fuel Oils

While the demand for light Fuels experienced a severe decline, prices held firm, owing to the heavy demand for kerosene and tractor distillates.

Heavy Fuel Oil demand continues at a high level, and it is not anticipated that any price losses will occur in all grades of fuel until the end of next month.

Retail Markets

There were no general price changes during the week: details of individual areas are as described below:

Standard of Indiana Territory:

Kerosene and No. 1 Fuel Oil prices were restored to normal generally throughout the territory on the 16th, except Kansas and Michigan.

This week: 144 points—sub-normal 1.7¢—8,610,000 gallons.

Last week: 144 points—sub-normal 1.7¢—8,656,000 gallons.

Standard of Kentucky Territory

Unchanged from last week:

43 points—sub-normal 1.5¢—229,000 gallons

Standard of Louisiana Territory

Unchanged from last week:

9 points—sub-normal 1.5¢—88,000 gallons

Standard of Ohio Territory

Prices in Butler County were cut 2¢ per gallon on the 14th and restored to normal on the 21st.

This week: 7 points—sub-normal 1.1¢—339,000 gallons.

4921 Magnolia Territory

On the 19th, all grades of gasoline were reduced 1¢ per

gallon at Houston and San Antonio, Texas, owing to low prices posted by marketers of East Texas gasoline.

This week: 9 points—subnormal 1.4¢—543,000 gallons.

Last week: 9 points—subnormal 1.0¢—304,000 gallons.

Total Marketing Department

This week:

	No. of Points	Gallonage	Av. Amount Sub-Normal	Estimated Revenue Reduction
Distributing:	214	9,831,000	1.7¢	$162,965.58
*Tank Car	163	2,925,000	1.0¢	29,792.45
	377	12,756,000	1.5¢	$192,758.03
Last week:				
Distributing:	213	9,637,000	1.7¢	$159,166.76
*Tank Car	161	2,865,000	1.0¢	28,582.45
	374	12,502,000	1.5¢	187,749.21

* Applies only where refinery net-back affected.

Gallonage and estimated revenue reduction on a monthly basis.

P. E. Lakin

HJ-ab

(Handwritten Notation):

"M. McGaw"

NOTE: *It is stipulated* in Exhibit 1043 that this was written by Harry Jacobs, signed by P. E. Lakin and sent to Alexander Fraser.

4922 GOVERNMENT EXHIBIT NO. 210.

Letterhead of Shell Petroleum Corporation, St. Louis, Mo.

From: P. E. Lakin — Date March 21, 1936

No. — In Re: Price Review Week Ending March 14, 1936

To: Mr. A. Fraser

Tank Car Markets

Gasoline

A much firmer undertone has developed in the Group 3 market with the return of normal temperature: refiners in this area generally are adhering to publication quotation. Where material is offered at lower prices, it is generally off specification: this is particularly true of gasoline offered out of East Texas, where products from cracking operations are generally sold untreated.

A material improvement has occurred in East Texas: surplus stocks in that field have been taken off the market by inter-refinery purchases, although some anxiety is felt for the future, in view of the movement of Rodessa crude into this area. Gasoline prices remained unchanged at the following levels:

Group 3	Low	High	Average	Net Change Average	1935 Average
Below 63 Octane	5.0	5¼	5⅛	—	3⅞
63-70 Octane	6.0	6¼	6⅛	—	4 13/16
28-70 Natural	3.0	3.0	3.0	—	2 1/16
East Texas					
Below 63 Octane	4⅞	4⅞	4⅞	—	3 13/16
63-70 Octane		Not Quoted			4 9/16
Gulf Coast (Domestic)					
60-64 Octane	6.0	6.0	6.0	—	4 15/16
65 and above	6⅛	6¼	6 3/16	—	5⅛
Western Pennsylvania					
U. S. Motor	5⅝	5¾	5 11/16	—	4¾
Min. 60 Octane	7.0	7⅛	7 1/16	—	5¾
Min. 65 Octane	7¼	7⅜	7 5/16	—	6 1/16

4923 Kerosene

The kerosene situation remains unchanged in that refiners are buying all available supplies, and making shipments only under contract, or to their regular trade. Peak demand for this product should be reached one month hence, and in anticipation of this demand, stocks are being tightly held. Further price advances occurred in Group 3, East Texas and Michigan. Average prices are:

Group 3: 4-3/16¢ (Up 1/16¢)

Gulf: 3⅞¢ (Unchanged)

East Texas: 3-13/16¢ (Up 1/16¢)

Pennsylvania: 5-5/16¢ (Unchanged)

Fuel Oils

Fuel Oils continued to maintain former price levels, although there was a distinct lessening in demand for domestic grades: Industrial Fuel demand is holding fairly well. No price weakening is anticipated over the next thirty days.

Retail Markets

There were no general price changes during the week: Major changes in individual marketing areas are as described below:

Standard of Indiana Territory

Prices in the City of Milwaukee advanced 1¢ on the 10th: County prices advanced 1½¢. Present prices are still one cent below normal in the City and ½¢ in the County.

This week: 144 Points—sub-normal 1.7¢—8,656,000 gallons

Last week: 144 Points—sub-normal 1.7¢—8,656,000 gallons

Standard of Kentucky Territory

Changes at only a few minor points.

This week: 43 Points—sub-normal 1.5¢—229,000 gallons

Last week: 43 Points—sub-normal 1.6¢—210,000 gallons

Standard of Louisiana Territory

New Orleans prices were advanced ½¢ on the 10th, establishing new normals for regular and premium grades: third grade was increased one cent on the 12th, but is still 1.5¢ below normal.

This week: 9 points—sub-normal 1.5¢—88,000 gallons

Last week: 9 points—sub-normal 1.9¢—88,000 gallons

4924 Standard of Ohio Territory

Unchanged from last week.

7 Points—sub-normal 1.1¢—339,000 gallons

Magnolia Territory

Unchanged from last week.

9 Points—sub-normal 1¢—304,000 gallons

Total Marketing Department

This week:

	No. of Points	Gallonage	Av. Amount Sub-Normal	Estimated Revenue Reduction
Distributing:	213	9,637,000	1.7¢	$159,166.76
*Tank Car	161	2,865,000	1.0¢	28,582.45
Total	374	12,502,000	1.5¢	$187,749.21
Last week:				
Distributing	212	9,619,000	1.7¢	$159,472.71
*Tank Car	153	2,682,000	1.0¢	27,168.60
	365	12,301,000	1.5¢	$186,621.31

* Applies only where refinery net-back affected.

Gallonage and estimated revenue reduction on a monthly basis.

P. E. Lakin.

HJ:UH

4925 **GOVERNMENT EXHIBIT NO. 212.**

Letterhead of Shell Petroleum Corporation, St. Louis, Mo.

From: P. E. Lakin **Date: February 14, 1936**

No. **In Re: Price Review Week Ending February 8, 1936**

To: Mr. A. Fraser

Tank Car Markets

Gasoline

For the third successive week, weather conditions throughout the Middle West, and a major portion of the South, were such as to severely retard gasoline consumption.

Stocks are backing up in the Mid-Continent and East Texas, and price shading to move gasoline is becoming more prevalent; a re-assuring feature is the reported reduction in refinery runs by Mid-Continent operators, as well as the fact that a number of refiners are taking advantage of the drastic decline in consumption to shut down for repairs. Publication prices were unchanged at the following levels:

Group 3	Low	High	Average	Net Change Average	1935 Average
Below 63 Octane	5¼	5⅜	5 5/16	—	3⅜
63-70 Octane	6⅛	6¼	6 3/16	—	4 9/16
26-70 Natural	4.0	4.0	4.0	—	3 5/16
East Texas					
Below 63 Octane	5⅛	5⅛	5⅛	—	3⅜
63-70 Octane		Not quoted			4 1/16
Gulf Coast (Domestic)					
60-64 Octane	6.0	6.0	6.0	—	4 15/16
65 and Above	6⅛	6¼	6 3/16	—	5 1/16
Western Pennsylvania					
U. S. Motor	5¾	5⅞	5 13/16	—	4 7/16
Min. 60 Octane	7¼	7⅜	7 5/16	—	5 11/16
Min. 65 Octane	7½	7⅝	7 9/16	—	6 1/16

Kerosene

The strength in Light Fuel Oils developed a firm basis for kerosene at existing price levels; demand, however, was only fair. A number of refiners are switching their ker-

osene production to No. 1 Fuel Oil in view of the
4926 extraordinary demand for the latter product. Western Pennsylvania prices advanced ⅛¢, thus bringing prices in that area more in line with Ohio spot prices.

Average prices at the close of the week were:

Group 3: 3⅝¢ (Unchanged)

Gulf: 3-13/16 (Unchanged)

Pennsylvania: 5-5/16 (Up ⅛¢)

East Texas: 3½¢ (Unchanged)

Fuel Oils

The prolonged cold wave is causing refiners some difficulty in meeting current requirements for Domestic Fuel Oils: the continued demand led to an increase of 1/16¢ in Nos. 1, 2, and 3 with buyers offering a premium over present prices for immediate delivery. Nos. 4 and 5 Fuels also advanced 3¾¢ and 1¼¢ per barrel, respectively.

A feature of interest in Chicago was the action of the Gas Company in cutting off, or curtailing, the supply of Industrial Gas users, to provide for the increased domestic demand.

Retail Prices

There were no general price changes during the week: local changes of consequence are referred to below:

Standard of Indiana Territory

"Dealer price" at Cedar Rapids, Iowa was advanced 2½¢ on the 5th to normal.

This week: 147 points—1.7¢ sub-normal—9,072,000 gallons

Last week: 148 points—1.7¢ sub-normal—9,143,000 gallons

Standard of Kentucky Territory

This week: 42 points—sub-normal 1.7¢—233,000 gallons

Last week: 41 points—sub-normal 1.7¢—228,000 gallons

Standard of Louisiana Territory

Unchanged from last week.

7 points—1.9¢ sub-normal—88,000 gallons

Standard of Ohio Territory

On the 4th, Service Station prices in Columbus were reduced 1¢ per gallon. This reduction was brought about by the aggressiveness of cut price operators who were posting

prices of from 3¢ to 4¢ below majors and obtaining around 28% of the potential. A further 1¢ reduction is anticipated at this point.

This week: 10 points—1.4¢ sub-normal—356,000 gallons

Last week: 11 points—2.9¢ sub-normal—119,000 gallons

4927 Magnolia Territory

All sub-normal prices in Oklahoma were restored to normal on the 3rd. Third grade prices at Houston were cut 1¢ on the 8th to meet unbranded marketers.

This week: 6 points—1.0¢ sub-normal—297,000 gallons

Last week: 7 points—1.1¢ sub-normal—165,000 gallons

Total Distributing Department

This week: 213 points—Sub-normal: Average of 1.7¢ per gallon, involving about 10,066,000 gallons monthly

Estimated monthly revenue reduction—$168,297.52

Last week: 215 points—Sub-normal: Average of 1.7¢ per gallon, involving about 9,764,000 gallons monthly

Estimated monthly revenue reduction—$166,754.97

P. E. Lakin

HJ:LP

(Handwritten Notation):

"M. McGaw"

4928 GOVERNMENT EXHIBIT NO. 214.

Letterhead of Shell Petroleum Corporation, St. Louis, Mo.

From: P. E. Lakin Date February 1, 1936

No. In Re: Price Review
Week Ending
To: Mr. A. Fraser January 25, 1936

Tank Car Markets

The inclement weather prevailing throughout the Middle West has seriously retarded gasoline consumption. While most refiners are refusing to deviate from published prices, a few offers have been made at prices below current levels.

Some uneasiness is felt in connection with the East Texas situation: major marketers' off-take in this field have not come up to expectations, and as a result stocks are backing up. Some East Texas material found its way into the hands of Chicago brokers who resold it at prices from 1/8¢ to 1/4¢ below the low for third grade.

In sympathy with advances made on the East Coast, Pennsylvania refiners increased their prices 1/4¢. Increases were also registered at the Gulf, in which area gasoline has been tight for some time. Present Gulf Domestic prices merely reflect the changes made in East Texas since the crude advance. Tank car prices at the close of the week were:

Group 3	Low	High	Average	Net Change Average	1935 Average
Below 63 Octane	5¼	5⅝	5 5/16	—	3 13/16
63-70 Octane	6⅛	6¼	6 3/16	—	4 11/16
28-70 Natural	4.0	4.0	4.0	+¼	3½
East Texas					
Below 63 Octane	5⅛	5⅛	5⅛	—	3 7/16
63-70 Octane		Not Quoted			4⅛
Gulf Coast (Domestic)					
60-64 Octane	6.0	6.0	6.0	+3/16	5.0
65 and over	6⅛	6¼	6 3/16	+¼	5 3/16
Western Pennsylvania					
U. S. Motor	5⅝	5⅞	5 13/16	+⅛	4 5/16
Min. 60 Octane	7¼	7⅜	7 5/16	+¼	5 11/16
Min. 65 Octane	7⅛	7⅜	7 9/16	+¼	6 1/16

4929 Kerosene

Kerosene movement was slow, but the price was strong owing to the heavy demand for No. 1 Fuel which bolstered the kerosene price: Gulf Coast prices declined 1/16¢ owing to heavy stocks which the holders were anxious to deplete before the end of the current heating season. Average prices were:

Group 3: 3⅜¢ (Unchanged)
East Texas: 3½¢ (Unchanged)
Pennsylvania: 4-15/16¢ (Unchanged)
Gulf: 3-15/16¢ (Down 1/16)

Fuel Oils

Light Fuel Oils were in strong demand with prices exceedingly firm. Several sellers who were apparently short of stock were asking prices in excess of those published.

Interest was revived in Heavy Fuels which, during the past few months, have barely held their own: Inquiries from Railroads and Industrial concerns for large quantities of this material forced prices up an average of 2½¢ per barrel with further increases anticipated.

Retail Markets

The only change of a general nature was that made by the Standard of Ohio, who, on the 23rd, increased the kerosene tank wagon and station price one-half cent. This follows a similar advance made by that Company on the 16th. Details of individual territories are as described below:

Standard of Indiana Territory

No major changes.

This week: 148 Points—1.7¢ sub-normal—9,188,000 gallons
Last week: 148 Points—1.7¢ sub-normal—9,160,000 gallons

Standard of Kentucky Territory

Tampa, St. Petersburg and Jacksonville, Florida station prices advanced ½¢ on the 21st.

This week: 38 Points—1.5¢ sub-normal—250,000 gallons
Last week: 41 Points—1.5¢ sub-normal—588,000 gallons

Standard of Louisiana Territory

Unchanged from last week.

7 Points—1.9¢ sub-normal—88,000 gallons

4930 Standard of Ohio Territory

Columbus prices advanced 1¢ to normal on the 21st. A number of price adjustments occurred at minor points.

This week: 11 Points—2.9¢ sub-normal—119,000 gallons

Last week: 10 Points—1.4¢ sub-normal—447,000 gallons

Magnolia Territory

Third grade price reduced 1¢ on the 21st at San Antonio.

This week: 7 Points—1.1¢ sub-normal—165,000 gallons

Last week: 6 Points—1.1¢ sub-normal—111,000 gallons

Total Distributing Department

This week: 212 Points—Sub-normal: An average of 1.7¢ per gallon, involving about 9,830,000 gallons monthly

Estimated monthly revenue reduction $167,387.24

Last week: 213 Points—Sub-normal: An average of 1.7¢ per gallon, involving about 10,414,000 gallons monthly.

Estimated monthly revenue reduction $174,170.51

HJ:LP

(Stamped):

"P. E. Lakin"

4931 GOVERNMENT EXHIBIT NO. 215.

Letterhead of Shell Petroleum Corporation, St. Louis, Mo.

From: P. E. Lakin Date January 24, 1936

No. In Re: Price Review Week Ending January 18, 1936

To: Mr. A. Fraser

Tank Car Markets

The gasoline tank car market reacted sharply to last week's crude advance, price increases of ½¢ being registered in the Mid-Continent and East Texas with ¼¢ increases in Western Pennsylvania, Shreveport, Louisiana, El Dorado, Arkansas, and the Gulf Domestic Market.

Natural Gasoline also advanced 5/16¢, partly in sympathy with the increase in automotive gasoline; another factor tending towards firming the price of this product was heavy purchases being made for shipment to the Gulf.

Shipments of gasoline were heavy in the early part of the week, mainly on orders from jobbers in anticipation of the price advance: movement slumped heavily towards the close of the week owing to poor consumption. Little East Texas gasoline is moving into the Middle West, the bulk of that field's production being shipped to the Coast under orders from Eastern buyers.

Prices at the close of the week were:

Group 3	Low	High	Average	Net Change Average	1935 Average
Below 63 Octane	5¼	5⅜	5 5/16	+⅛¢	3⅞¢
63-70 Octane	6⅛	6¼	6 3/16	+⅛¢	4 11/16¢
26-70 Natural	3¾	3¾	3¾	+5/16¢	3½¢
East Texas					
Below 63 Octane	5⅛	5⅛	5⅛	+⅛¢	3⅝¢
63-70 Octane	Not quoted				4⅛¢
Gulf Coast (Domestic)					
60-64 Octane	5⅝	5⅞	5 13/16	+¼¢	5 3/16¢
65 and Above	5⅞	6.0	5 15/16	+¼¢	5⅝¢
Western Pennsylvania					
U. S. Motor	5½	5⅝	5 9/16	+¼	4 3/16
Min. 60 Octane	7.0	7⅛	7 1/16	+¼	5 11/16
Min. 65 Octane	7¼	7⅜	7 5/16	+¼	6 1/16

4932 Kerosene

Kerosene prices reflected the increase in crude, an advance of ⅛¢ being made in all major markets; demand was slow and the price increase was purely on the strength of the raw material advance.

Average prices are:

East Texas: 3⅜¢ (up ⅛¢) Western Pennsylvania: 4 13/16¢ (up ⅛¢)

Group 3: 3⅝¢ (up ⅛¢) Gulf (Domestic): 4.0 (Unchanged)

The Standard of Ohio advanced its delivered spot tank car kerosene price one cent on the 16th to a level of 7.0¢ per gallon.

Fuel Oils

A return of normal winter temperatures took the pressure off of Light Fuel Oils. Movement was comparatively slow, although no price changes occurred in the Middle West. East Coast demand was reflected in a 1/16¢ advance in East Texas and ¼¢ in the Gulf.

It is reported that refiners are withholding No. 3 Fuel from the market, for cracking purposes, in view of the recent gasoline price advance.

Retail Markets

The following general price changes occurred in our marketing area:

January 14th Magnolia advanced all grades of gasoline one cent throughout Texas. On the same date Continental increased Colorado prices by a like amount.

January 15th Standard of Ohio advanced all gasoline prices one-half cent throughout its territory; on the 16th kerosene tank wagon prices were increased by a like amount.

January 17th Standard of Indiana and Nebraska advanced all gasoline prices one-half cent throughout their areas. Magnolia advanced Oklahoma gasoline prices one cent.

January 17th Gulf led a ½¢ gasoline advance throughout Standard of Louisiana territory, which the latter Company met on the 18th.

4933 The above general advances, plus the ½¢ advance made by the Standard of Kentucky throughout Alabama, Mississippi, and Kentucky on the 21st, means that

the tank car price advance has now been reflected in retail prices throughout our entire marketing territory, excepting only Georgia and Florida.

Local changes of consequence and sub-normal status of individual marketing areas are as described below:

Standard of Indiana Territory

"Silver-Shell" reduced 1.4¢ at East St. Louis on the 17th.
This week: 148 Points—1.7¢ sub-normal—9,160,000 gallons
Last week: 146 Points—1.7¢ sub-normal—9,141,000 gallons

Standard of Kentucky Territory

On the 16th Service Station prices of "Super-Shell" and Ethyl were cut 1½¢ at Tampa, Jacksonville and St. Petersburg, Florida. Dealers' prices were unchanged, thus reducing their margin from 4¢ to 2½¢.

This week: 41 Points—1.5¢ sub-normal—588,000 gallons
Last week: 39 Points—1.5¢ sub-normal—265,000 gallons

Standard of Louisiana Territory

Unchanged from last week:

7 Points—1.9¢ sub-normal—88,000 gallons

Standard of Ohio Territory

A one cent advance took place on the 16th at Akron, restoring normal prices at this point: a number of minor reductions occurred at smaller points.

This week: 10 Points—1.4¢ sub-normal—447,000 gallons
Last week: 9 Points—1.2¢ sub-normal—620,000 gallons

Magnolia Territory

Unchanged from last week:

6 points—1.1¢ sub-normal—111,000 gallons

Total Distributing Department

This week: 213 Points—Sub-normal: An average of 1.7¢ per gallon, involving about 10,414,000 gallons monthly.
Estimated revenue reduction: $174,170.51 per month.

Last week: 208 Points—Sub-normal: An average of 1.7¢ per gallon, involving approximately 10,247,000 gallons monthly.

Estimated revenue reduction: $170,215.00 monthly.

HJ:LP P. E. Lakin

(Handwritten Notation):

"M. McGaw"

4934

4935 GOVERNMENT EXHIBIT NO. 217.

Letterhead of Shell Petroleum Corporation, St. Louis, Mo.

From: P. E. Lakin — Date December 19, 1935

No: — In Re: Price Review Week Ending December 14, 1935

To: Mr. A. Fraser

Tank Car Markets

Low octane gasoline recovered the loss in price sustained during the last week of November. Although gasoline movement was slow, prices were steady primarily as a result of inter-refinery buying. East Texas, which is usually a good source of supply for brokers, is not at present shipping much material into the area normally supplied from Group 3. High octane material continues tight at the Gulf with the prospect of higher prices. At the close of the week prices were:

Group 3	Low	High	Average	Net Change Average	1934 Average
Below 63 Octane	4¾	4⅞	4 13/16	+1/16	3 13/16
63-70 Octane	5⅝	5¾	5 11/16	—	4 11/16
26-70 Natural	4¼	4¼	4¼	—	3 11/16
East Texas					
Below 63 Octane	4⅝	4⅝	4⅝	—	3 11/16
63-70 Octane		Not Quoted			4 5/16
Gulf Coast (Domestic)					
60-64 Octane	5½	5½	5½	—	4⅝
65 and above	5⅝	5⅝	5⅝	—	4⅞
Western Pennsylvania					
U. S. Motor	5¼	5⅜	5 5/16	—	4 15/16
Min. 60 Octane	6¾	6⅞	6 13/16	—	6 1/16
Min. 65 Octane	7.0.	7⅛	7 1/16	—	6⅝

During the week we purchased twenty-five cars of low octane gasoline from Cushing Gasoline Company and twenty cars from Bell Oil and Gas Company at a price of 4¾¢ F.O.B. Tulsa, Oklahoma.

Kerosene

Demand for kerosene was slow, but supplies of this material were at a low level, and consequently prices
4936 held steady. It is felt that any further increase in No. 1 Fuel Oil price will automatically force kerosene

upward, as the price differential between the two products is now so narrow as to just off-set the treating cost of kerosene versus marketing as distillate.

Fuel Oils

Light Fuel Oils are in strong demand, with supplies tight. Nos. 2 and 3 advanced 1/16¢. While published prices failed to indicate an advance for No. 1, it is reported that some buyers paid a premium of 1/16¢ for prompt shipment of this commodity.

Heavy Fuels were slow with prices unchanged.

Retail Markets

There were no price changes of major importanee. Details of individual areas are as shown below:

Standard of Indiana Territory
This week: 138 points—1.7¢ subnormal—8,968,000 gallons
Last week: 136 points—1.7¢ subnormal—8,968,000 gallons

Standard of Kentucky Territory
This week: 39 Points—1.5¢ subnormal—209,000 gallons
Last week: 38 Points—1.5¢ subnormal—237,000 gallons

Standard of Louisiana Territory
Unchanged from last week.
7 Points—1.9¢ subnormal—88,000 gallons

Standard of Ohio Territory
Unchanged from last week.
2 Points—1.9¢ subnormal—16,000 gallons

Magnolia Territory
Unchanged from last week.
6 Points—1.1¢ subnormal—111,000 gallons

4937 Total Distributing Territory
This week: 193 Points—1.7¢ subnormal—9,414,000 gallons
Last week: 191 Points—1.7¢ subnormal—9,441,000 gallons

HJ:LP P. E. Lakin

(Handwritten Notation):
"M. McGaw"

(Handwritten Initial):
"R"

4938 **GOVERNMENT EXHIBIT NO. 218.**

Letterhead of Shell Petroleum Corporation, St. Louis, Mo.

From: P. E. Lakin Date December 14, 1935

No. In Re: Price Review Week Ending December 7, 1935

To: Mr. A. Fraser

Tank Car Markets

While the demand for gasoline is slow, the market is fairly firm, primarily as a result of strong inter-refinery buying. No price changes occurred in Group 3 or Texas, but a distinct tightness in the Gulf resulted in substantial price advances in both the export and domestic market. The situation in East Texas is particularly good in that most refiners have already sold their output for the balance of this month. Natural gasoline is strong, with buyers taking all material offered. Prices at the close of the week were:

Group 3	Low	High	Average	Net Change Average	1934 Average
Below 63 Octane	4⅝	4⅞	4⅞	—	4⅛
63-70 Octane	5⅝	5¾	5 11/16	—	4 13/16
28-70 Natural	4⅛	4¼	4 3/16	+1/16	3 9/16
East Texas					
Below 63 Octane	4⅝	4⅞	4⅞	—	4 1/16
65 and Above		Not Quoted			4 9/16
Gulf Coast (Domestic)					
60-64 Octane	5⅛	5⅛	5⅛	+1/16	4¾
65 and Above	5⅝	5⅝	5⅝	+1/16	5.0
Western Pennsylvania					
U. S. Motor	5¼	5⅝	5 5/16	—	5 1/16
Min. 60 Octane	6¾	6⅞	6 13/16	—	6⅛
Min. 65 Octane	7.0	7⅛	7 1/16	—	6 7/16

Kerosene

Demand slow, but prices unchanged. There appears to be less kerosene coming on the market, presumably because refiners are increasing their output of distillate. Average prices are unchanged from last week.

4939 Fuel Oils

A heavy jobber demand for light fuel oils caused a virtual scarcity of these products, and resulted in an advance of 1/16¢ in Nos. 1 and 2. With colder weather in prospect, further advances in domestic heating oils should occur. Heavy fuels are steady with demand approximating currently available supplies.

Retail Markets

There were no general price changes during the week.

The Standard of Indiana introduced "Solite with Ethyl" replacing "Red Crown Ethyl"; octane rating of the new product is around 77 with an I.B.P. of 93° and an E.P. of 362.° This product approximates in quality "Super Shell Ethyl."

Details of sub-normal prices by marketing areas follows:

Standard of Indiana Territory

"Silver-Shell" wagon price in Chicago was reduced 1¢ on the 5th. Sub-normal prices at:

This week: 136 Points—1.7¢ below normal—8,968,000 gallons monthly.

Last week: 136 Points—1.7¢ below normal—8,960,000 gallons monthly.

Standard of Kentucky Territory

A number of adjustments, covering mainly "Silver Shell" occurred at minor points:

This week: 38 Points—1.5¢ below normal—237,000 gallons monthly.

Last week: 37 Points—1.5¢ below normal—235,000 gallons monthly.

Standard of Louisiana Territory

Unchanged from last week.

7 Points—1.9¢ below normal involving 88,000 gallons monthly.

Standard of Ohio Territory

For the first time in five months a sub-normal price situation developed in this area.

2 Points—1.9¢ below normal—16,000 gallons monthly.

4940 Magnolia Territory

Silver Shell reduced 1¢ at Tonkawa, Oklahoma on the fifth.

This week: 6 Points—1.1¢ below normal—covering 111,000 gallons monthly.

Last week: 5 Points—1.1¢ below normal—covering 102,000 gallons monthly.

Total Distributing Territory

This week: 191 Points—1.7¢ below normal—9,440,000 gallons monthly.

Last week: 186 Points—1.7¢ below normal—9,405,000 gallons monthly.

P. E. Lakin

HJ:LP

(Handwritten Notation):
"M.McGaw"

4941 GOVERNMENT EXHIBIT NO. 220.

Letterhead of Shell Petroleum Corporation

From Crude Oil Department Date January 2, 1935.

No. In Re: Gasoline

To. Messrs. Fraser
Bascom
Lakin

We have checked the open market supply of middle octane gasoline and find supplies from the following sources—the reason for quotations on this grade not moving upward:

Panhandle Ref. Company 25-30 cars offered 4½¢.

Sunray Ref. Company 30-35 cars offered 4⅜¢.

Taxman Ref. Company 25 cars asks for an offer (material offcolor).

Waggoner Refining Company have about 600 cars of gasoline in storage, 40% middle octane, none of this material is distress, but Waggoner would sell at current quotations.

Bourque is working on a buying program for middle

octane grade and feels the purchase of 100 cars would help the quotations move upward. He inquires if we will participate and to what extent.

The Chicago market is in good shape, the brokers have very little gasoline purchased for January shipment.

A. P. Ruether

(Handwritten Notations):

"Mr. Ruether pl. discuss A. S."
"Spoke to Mr. Fraser 1/3/35 PM. R."
"I think we should participate up to 10 cars. P. E. L."

(Handwritten Initials):

"A. P. R."

4942 GOVERNMENT EXHIBIT NO. 221.

Original of Telegram Received

Kilgore, Texas
August 26, 1935

A. P. Ruether
St. Louis, Mo.

KH-146 Sinclair took 50 cars gasoline August 23rd from marketing association making them a total of 80 cars for last week and making a total for majors of 185 for the week.

G. L. Shoemaker

4943 GOVERNMENT EXHIBIT NO. 222.

Original of Telegram Received

Kilgore, Texas
August 23, 1935

Crude Oil Department
St. Louis, Mo.

KH 135 Kline advised today Association had received instructions on only 135 cars gasoline this week from major companies and that was short instructions on 32 cars from last weeks orders Stop Truck price on state tender gasoline reduced to 3½ cents in Kilgore today and expected to be 3¼ tomorrow Stop Interstate gasoline is going at 4½ cents Stop Sinclair Prairie sold Em-

pire 100,000 East Texas Texas crude to be delivered before Sept 22nd.

East Texas Divn
H. L. Stegall

Attn: Mr. Ruether

NOTE: *It is stipulated* in Exhibit 728 that this was written by H. L. Stegall, field scout for Shell in Texas and received by A. P. Ruether.

4944 GOVERNMENT EXHIBIT NO. 230.

Letterhead of Western Petroleum Refiners Association,
Tulsa, Oklahoma

May 24, 1935.

Mr. P. E. Lakin
Shell Petroleum Corporation
Drawer D-8
St. Louis, Missouri

Dear Mr. Lakin:

We are making up our reports covering purchases by the buying group once a week, and I shall be glad to send you a copy when compiled, this as per your request of May 17th.

I am enclosing copies of the March and April monthly reports and the May report through May 18th.

Yours very truly,
A. V. Bourque

Encl-3 (Exhibits 231 A B and C) C

(Handwritten Notations):

"Mr. Lakin—To note. Please return H. J."
"Noted Apr 6/5/35"
"Mr. Jacobs."

(Handwritten Initials):

"P. E. L."
Please return to P. E. Lakin's files.

NOTE: *It is stipulated* in Exhibit 1043 that this was received by P. E. Lakin in response to Exhibit 232.

4945 **GOVERNMENT EXHIBIT NO. 231-A.**

Total Cars Purchased During March, 1935

From	By	No. Cars	Total
Boudreau & Niece	Mid-Continent	1	1
Champlin Refining Co	Phillips	15	
	Wadhams	41	56
Cosden Oil Company	Phillips	10	10
Cushing Refining & Gaso Co.	Globe	11	
	Phillips	31	
	Shell	10	52
Dale W. Moore	Mid-Continent	15	
	Phillips	6	21
Danciger Refineries, Inc.	Globe	2	
	Phillips	5	
	Shell	25	32
Olney Oil & Refining Co	Empire	30	30
Omar Refining Co	Globe	90	
	Sinclair	45	135
Panhandle Refining Co	Globe	25	
	Phillips	2	
	Pure	11	
	Sinclair	15	53
Rock Island Refining Co	Barnsdall	3	3
Shamrock Oil & Gas Co	Continental	20	20
Sunray Oil Company	Skelly	7	7
Tansel Petroleum Co	Mid-Continent	4	4
Taxman Refining Co	Phillips	5	5
Waggoner Refining Co	Barnsdall	35	
	Standard (Indiana)	75	110
	Total March		539 Cars

4946 **GOVERNMENT EXHIBIT NO. 231-B.**

Total Cars Purchased During April, 1935

From	By	No. Cars	Total
Champlin Refining Co	Phillips	39	
	Wadhams	50	89
Cushing Refining & Gaso Co	Globe	5	
	Shell	20	
	Wadhams	7	32
Dale W. Moore	Mid-Continent	25	
	Phillips	5	30
Danciger Refineries, Inc.	Phillips	3	
	Wadhams	4	7
Dickey Refining Co	Globe	10	10
Eason Oil Company	Globe	25	
	Phillips	5	
	Shell	5	
	Wadhams	4	39
Octane Refining Co	Sinclair	15	15
Olney Oil & Refining Co	Empire	30	30
Omar Refining Co	Globe	75	
	Sinclair	50	
	Wadhams	1	126
Panhandle Refining Co	Empire	1	
	Pure	14	
	Sinclair	25	40
Rock Island Refining Co	Phillips	12	12
Shamrock Oil & Gas Co	Continental	38	38
Star Refining Company	Continental	6	6
Sunray Oil Company	Skelly	16	16
Taxman Refining Co	Continental	5	
	Empire	5	
	Phillips	20	
	Skelly	25	55
Waggoner Refining Co	Barnsdall	30	
	Standard (Indiana)	85	
	Mid-Continent	50	165
Wilcox Oil & Gas Co	Skelly	5	5
	Total April		715 Cars

4947 GOVERNMENT EXHIBIT NO. 231-C.

Purchases Through May 1935.

From	By	No. Cars	Total
Champlin Ref Co	Phillips	8	8
Cushing Ref Co	Anderson-Prichard	10	
	Shell	20	
	Wadhams	13	43
Dale W. Moore	Mid-Continent	6	6
Danciger	Wadhams	36	36
Eason Oil Co	Anderson-Prichard	10	
	Phillips	13	23
Lubbock Oil Co	Continental	5	5
Olney Oil & Ref Co	Empire	13	13
Omar Ref Co	Wadhams	9	9
Panhandle Ref Co	Sinclair	25	25
Rock Island Ref Co	Phillips	29	29
Simms Oil Co	Continental	5	
	Empire	10	
	Mid-Continent	10	
	Phillips	5	
	Skelly	10	
	Wadhams	1	41
Taxman Ref Co	Continental	4	
	Mid-Continent	10	
	Phillips	28	
	Skelly	35	77
Vickers Pet Co	Barnsdall	5	
	Globe	10	
	Mid-Continent	10	
	Pure	10	35
Waggoner Ref Co	Barnsdall	15	
	Mid-Continent	10	
	Skelly	15	
	Standard	50	90
			440 Cars

NOTE: *It is stipulated* in Exhibit 1043 that this document was received by P. E. Lakin as an enclosure with document bearing Exhibit No. 230.

4948 GOVERNMENT EXHIBIT NO. 232.

May 17, 1935

Mr. A. V. Bourque,
Western Petroleum Refiners' Association,
607 Cosden Building,
Tulsa, Oklahoma.

Dear Mr. Bourque:

I am wondering whether you can arrange to send us as quickly as possible after the end of each month a statement showing the number of cars of gasoline purchased during that month by the "buying group". If you do not care to show purchases by individual group members, the one figure showing the total purchases will be sufficient for our purpose.

If it is possible, we should like you to show the name of the Sellers as well as the buyers.

Very truly yours,
Shell Petroleum Corporation
P. E. Lakin
General Sales Manager

HJ:TH

(Handwritten Notations):
"Mailed 5/20" "Call 6/10."
Please return to P. E. Lakin's files.

NOTE: *It is stipulated* in Exhibit 1043 that in response to this letter written by P. E. Lakin he received Exhibits 230 and 231.

4949 GOVERNMENT EXHIBIT NO. 233.

Shell Petroleum Corporation
St. Louis

Copy of Telegram Received

Kilgore, Texas
December 3, 1935

Crude Oil Department
St. Louis, Mo.

KM-18. Following is major company purchases third grade gasoline for week ending December 1st Sinclair

40 cars Gulf 40, Pure 35, Texas 10 Continental 10, LA O & R Co 20, total 155 cars Stop following plants will supply these orders, Chief 10 cars, East Texas 20, Gilliland number two 20 cars, Hurricane 20, Trio 15, Texas Oil Prods 20, Premier 25, McMurrey (Arp) 25 cars, total 155 Stop It is doubtful Gilliland will be able to secure Federal Tenders leaving only seven refineries to supply these orders Stop Sinclair made their purchase of 100 cars for export movement and would not give out prices paid but did just about clean up all on hand Stop Understand most was high octane Stop A general truck price of 9¼ cents went into effect at seven o'clock today Stop Believe markets are in good condition as far as East Texas is concerned and hot oil flow is now at one of the lowest points in history of field based on movements of refined products.

H. L. Stegall

Stamped: "Please return to
P. E. Lakin's files."

(Handwritten Notations):

"Mr. Lakin." "Mr. Van Eeghan: This should help bring back recent price reduction on 3rd grade published prices.
A. P. R."

Attn: Mr. Ruether

4950 GOVERNMENT EXHIBIT NO. 234.

Shell Petroleum Corporation
St. Louis

Copy of Telegram Received

Kilgore, Texas
December 9, 1935

Crude Oil Dept.
St. Louis, Mo.

KM-47 following is list of purchases East Texas gasoline by majors during week ending 7 AM Dec 8th Sinclair 40 cars Gulf 50 Pure 15 Texas 35 Continental 5 Louisiana O&R Co. 10 total 155 cars Stop Allocations of the foregoing orders placed as follows Cascade 5 cars East Texas 25 Gilliland number two 20 Hurricane 15 Trio

15 Premier 25 Solvex 25 Tyre Co. number two 10 total 155 cars.

H. L. Stegall

Atten: Mr. Ruether

Copy: Mr.Bascom
Mr. Van Eeghan
Mr. Lakin.

Stamped: "Please return to P. E. Lakin's files."

(Handwritten Notation):
"Mr. Jacobs 11th floor."

4951 GOVERNMENT EXHIBIT NO. 235.

Manufacturing Department April 9, 1935

Mr. A. Fraser: Review of Gulf Coast Bulk Market Week Ending April 6, 1935

Natural Gasoline

	Low	High	Average	Net Change Average	1934 Aver.
Group 3	2⅛	2¼	2 3/16	1/16	2 9/16
Plus Frt. to Gulf	1 7/16	1 7/16	1 7/16		1 7/16
Calculated Gulf Price	3 9/16	3 11/16	3 10/16		4.0

One cargo of 20 pound stabilized has recently been sold for June delivery for 4⅜¢ Gulf. It is reported that this purchase was made by Tidewater from Hanlon-Buchanan, although we have been unable to verify this. Brokers of natural gasoline have indicated a reluctance to sell on the present market and are holding off for prices approximately equal to U. S. Motor and have indicated that they are prepared to hold this product in storage until fall in anticipation of better prices.

Gasoline

	Low	High	Average	Net Change Average	1934 Aver.
(a) Export					
U. S. Motor	4⅝	4¾	4 11/16	—	4 9/16
60/64 400 E. P.	4¾	4⅞	4 13/16	—	4 11/16
64/66 375 E. P.	5	5⅛	5 1/16	—	4⅞
(b) Domestic					
U. S. Motor below 59 Octane	5	5⅛	5 1/16	—	4⅞
U. S. M. 60/64 Oct.	5⅛	5¼	5 3/16	—	5⅛
U. S. M. 65+ Octane	5¼	5⅜	5⅜	—	5⅜

Although no change in price schedules was reported during the past week the market has strengthened materially and an optimistic feeling seems to prevail generally. During the past week the Standard of New Jersey increased their retail price schedules three fourths of a cent a gallon, and if the present control in East Texas is maintained and the buying program is not abandoned, further increases may be expected in that territory, although Standard of New Jersey holds the opinion that gasoline prices, particularly on the Eastern Seaboard, are now in line with crude prices and that no further increase is to be expected until dictated by a rise in crude prices.

4952 Cities Service have purchased one cargo in the Gulf this week, although we cannot report the name of the seller or the price. An additional cargo of gasoline has also been purchased by Cities Service for delivery from East Texas in tank cars at a reported price of 4⅛¢. Gulf has purchased 30 cars, Pure 42 cars, and Sinclair 21 cars, at the same price in the field, which is equivalent to 4.925% delivered in the Gulf. The above purchases of the last few days may be compared with the purchase of 75 cars during the first part of the week by Cities Service in East Texas for coastwise movement at 4.675¢ delivered Gulf (3.875¢ East Texas plus freight .8¢) which indicates clearly the improvement in this market during the past week.

The smaller refiners on the Gulf Coast are holding for 5¼¢ as compared to the present market of 5¢, expecting major companies to take this material off of their hands.

Kerosine

	Low	High	Average	Net Change Average	1934 Aver.
(a) Export					
44 W. W.	4¼	4⅜	4⅜	—	4⅜
41/43 W. W.	4	4¼	4⅛	—	4¼
(b) Domestic					
41/43 W. W.	4	4¼	4⅛	—	4⅜

The prices for this commodity remained unchanged during the week and the market is very quiet, there being few inquiries and no sales of any magnitude.

Gas Oil

	Low	High	Average	Net Change Average	1934 Aver.
(a) Export					
26-30 Translucent	2⅞	3	3 15/16	—	3 7/16
30+ Translucent	3	3⅛	3 1/16	—	3⅝
(b) Domestic					
#1 Heating Oil	4	4¼	4⅛	—	4⅜
#2 Heating Oil	3⅛	3¼	3 3/16	—	3 11/16
(c) Bunkers					
Diesel			1.70		1.78

The prices were unchanged during the week and there continues to be a surplus of gas oil on the East Coast as the result of the unexpected mild weather during the past few weeks. Patterson is in the market for gas oil, having inquired of Shell Eastern, but the price offered was
4953 equivalent to 3¢ in the Gulf, on which basis Shell Eastern were not interested. The large stocks on the Eastern Seaboard are felt to be the dominating factor in the present slow market in the Gulf. However, an investigation will be made of the statistical stock position to determine whether or not the present stocks on the East Coast are sufficiently in excess of the stocks held in 1934 to warrant the price being one-half cent lower at this time as compared with a year ago.

It is reported that Berry has a cargo enroute from the Gulf and no storage available and unless they can make arrangements for storage they will undoubtedly have to dispose of this cargo at a sacrifice. Republic and Crown Central are also reported as having full stocks and have endeavored to secure temporary storage from Shell Eastern to take care of their present surplus.

Grade "C" Fuel Oil

	Low	High	Average	Net Change Average	1934 Aver.
Grade "C"	80	85	82½	—	.90
Bunkers			100	—	1.10

Standard of Louisiana sold to Rio Bravo (Southern Pacific) approximately 100,000 barrels of Grade "C" fuel oil at 89¢ New Orleans, which is about 85½¢ at the refinery. This fuel is to be delivered during the months of April and May in barge lots.

A meeting was held on April 4th in New York for the

purpose of discussing present bunker prices. This meeting was attended by representatives of the major companies and the Petroleum Administrative Board, including the Department of Commerce and Bureau of Mines, in which it was pointed out by the Government representatives that fuel oil prices had increased abnormally over the past three years and that this increase had added materially to the operating cost of vessels and that the oil companies should accept lower fuel oil prices as a contribution to a national emergency and assistance to the American Merchant Marine. The oil companies represented could not support the plea for lower prices under present circumstances and the meeting adjourned without any definite accomplishments or conclusions, with the understanding that if advisable the discussions will be reopened at a later date. You will no doubt receive the full details covering this meeting from Mr. Minner.

Tankers

Although last week it appeared that the strike of the International Seamen's Union on the Pacific Coast would
4954 spread to other localities, the situation at this time is noted to be much easier and it looks as though the differences between the seamen and the operators will be reconciled very shortly. Thus far the strike has, of course, affected only those vessels operating entirely on the Pacific Coast.

The market for clean and dirty tank vessels has weakened still further and both may be chartered from the Gulf to points North of Hatteras at 16¢. The Nelson was chartered last week by Shell Union for a movement from Curacao to New York at 10¢.

C. E. Davis

cc. Messrs. Bascom
Calloway
van Eeghen
Taylor
Jacobs
Ruether X
McCaw
High

4955 **GOVERNMENT EXHIBIT NO. 237.**

Shell Petroleum Corporation
St. Louis

Copy of Telegram Received

Kilgore, Texas.
February 15, 1936

Crude Oil Dept.
St. Louis, Mo.

KB-82 the following companies have purchased gasoline delivery week ending February 16 and will pay 5⅛ cents gallon Texas 35 cars Pure 35 Gulf 50 Sinclair 40 Tidewater 5 Louisiana Oil 5 total 170 Stop The following companies bought in addition to foregoing at 4¾ cents Gulf 60 Sinclair 25 Pure 10 total 95 cars Stop Bradshaw at Dallas placed the order by Sinclair five each with following refineries Cascade Hurricane McMurrey Solvex and Trinity Stop The Association reports that not over 50 cars have been purchased by independent jobbers during this week Stop A survey this week of excess stocks held by plants operating on Federal Tenders shows 180,000 barrels gasoline on hand in addition to regular working stocks of 70,000 barrels making 250,000 barrels held by fourteen plants Stop There are 15 other plants in field not operating on Federal Tenders holding an estimated stock in excess of 75,000 barrels making grand total in field of around 325,000 barrels Stop In order to bring stocks to normal working conditions 450 cars should be moved at once Stop On February 12th the Association reported situation looked very favorable but has adverse opinion today Stop Refiners would wel-
4956 come wholesale buying by major companies even at bargain prices in order to get situation cleared up Stop apparently we have been misinformed as to the extent of curtailment of runs to stills and if excess stocks are moved by majors it is inevitable that relief will be only temporary.

H. L. Stegall

Attn: Mr. Ruether
Copy: Mr. Bascom
Mr. Salmon
Mr. Jacobs
Mr. Lakin X

(Handwritten Notations):

"Mr. Lakin." "PEL" "Mr. Ruether please discuss soonest. P. E. L."

4957 GOVERNMENT EXHIBIT NO. 238.

Shell Petroleum Corporation
St. Louis

Copy of Telegram Received

Kilgore, Texas
February 25, 1936

A. P. Ruether
St. Louis, Mo.

KB-151. A check made Feby 22nd on refineries operating on Federal Tenders showed 355 cars of distress gasoline over and above regular working stock Stop Major purchases for the week ending 7 AM Feb 23rd totaled 230 cars 175 of which were purchased at 5 cts and 55 cars at 4⅝¢ to 4¾¢ Stop 120 cars have been ordered for shipment this week and it is understood prices will be subject to Platts quotation Stop Total cars of distress gasoline does not include stock on hand at East Texas Refining Company at Longview Stop Southport Refg Co is selling gasoline to trucks at 3¼ to 3½¢ dock.

Shoemaker

Stamped: "Please return to
P. E. Lakin's files."

(Handwritten Notations):
"Tank Car Stab. Purchases."
"Mr. Lakin"

4958 GOVERNMENT EXHIBIT NO. 239.

Shell Petroleum Corporation
St. Louis

Copy of Telegram Received

Tyler, Texas
February 27, 1936

Crude Oil Dept.
St. Louis, Mo.

KB-164. Following companies placed orders for gasoline this weeks delivery St Clair 30 Gulf 50 Pure 30 Texas 35 Tidewater 5 Louisiana Oil 6 Continental Two total 158 Stop All placed by Marketing Assn. price 4⅞ cents St Clair and Gulf purchased 30 each thru Bradshaw at Dallas quoted price 4⅝ cents refinery Green at Ft Worth purchased for this weeks delivery a total of 50 cars placed as follows Texas

Oil Products 15 cars Trinity 10 Cascade 10 Danciger 15 Stop This makes total purchases 268 cars by majors Stop Humble purchased 50 cars last week instead of 25 Stop we have report Magnolia will buy this week but failed find any trace of such activity Stop It is estimated that there are around seven hundred cars excess gasoline in the field above normal working stock.

H. L. Stegall

Attn: Mr. Ruether

(Handwritten Notations):

"Mr. Lakin." "P. E. L."

Stamped: "Please return to P. E. Lakin's files."

4958½ GOVERNMENT EXHIBIT NO. 240.

Letterhead of Mid-Continent Petroleum Corporation, Tulsa, Okla.

Mr. P. E. Lakin,
Shell Petroleum Company,
St. Louis, Mo.

December 19, 1935.

Dear Mr. Lakin:—

I believe it is going to be highly important to our Committee to meet before the close of the month for the purpose of looking over Mr. Bourque's figures in connection with the refining situation. Hence, I am calling a meeting to be held in the offices of the Western Petroleum Refiners Association at ten o'clock in the morning of December 30. It is appreciated that the week between Christmas and New Year's is a busy one. However, there are some peculiar situations that make us feel that we should not delay until after the first of the year. Please advise promptly if you can be in attendance.

Yours very truly,

R. W. McDowell

Please return to P. E. Lakin's file.

(Handwritten Notations):

"Mr. Ruether—to note as per conversation.
McDowell informed you will be there. P. E. L."
"Noted. A. P. R. 12/24"

(Handwritten Initials):

"APR"

4959 **GOVERNMENT EXHIBIT NO. 243.**

Letterhead of Shell Petroleum Corporation
Omaha, Nebraska.

From Northwestern District
Tank Car Sales Dept.

Date February 3, 1936

No.

In Re: Third Grade Gasoline

To: Mr. W. L. Schafer

You will recall that for the past two months we have been shipping some third grade gasoline from the Bell Oil & Gas Company to our Shell Distributors and that while we have had complaints, we have nevertheless insisted that it was necessary to dispose of the material which we had purchased for various reasons.

We are attaching letter from the Bell Oil & Gas Company to one of our customers and similar letters are being circulated to all jobbers in our territory. This letter is in the nature of a quotation and is actually 1¢ per gallon beneath the prices we are charging our jobbers for what is apparently guaranteed to be approximately the same grade of material. We have been charging our jobbers 1/16¢ per gallon more for Bell's third grade material than they offer to sell direct to our customers their high octane material.

Obviously this is an impossible situation and does in fact tend to weaken our position with our jobbers in that if Bell's material shipped to them was in any degree satisfactory it would encourage them to buy direct from Bell at a much less price than they could buy Silver Shell from us. Such a trend is, in the writer's opinion, in direct opposition to our sales efforts.

We realize it is sometimes necessary for us to ship outside material but the writer sincerely hopes that if this becomes necessary again we take the material of some refiner whose sales policies and efforts are not so directly conflicting with our own. You will note from the attached that Bell is now opening a sales office in Des Moines and with such prices we no doubt will have to watch purchases of our distributors on third grade material.

JEF:HG

NOTE: *It is stipulated* in Exhibit 728 that this was written by J. E. Fritts, tank car sales manager for Shell at Kansas City and received by W. L. Schafer, assistant to the tank car sales manager for Shell.

4960 **GOVERNMENT EXHIBIT NO. 244.**

Letterhead of Bell Oil & Gas Company, Tulsa, Oklahoma.

January 29th, 1936.

Mr. H. A. Bingle,
Updike Lumber & Coal Co.,
Omaha, Nebraska.

Dear Mr. Bingle:

We have recently opened offices in Des Moines, and I hope you will favor us with an occasional inquiry. Our two refineries, at Grandfield and Gladewater, are turning out some exceptionally nice material, and I believe you will find our prices in line.

I would appreciate hearing from you the next time you are in the market.

Cordially yours,
Bell Oil & Gas Company
Harry Jenkins
Manager Northwest Division

P.S. Our price today on guaranteed 65/70 octane (actually 67) antiknock gasoline is 5⅛¢.

(Handwritten Notations):

"Jim Fritts Here is a good Price. H. A. B."
"CJC on 1/29—6⅛ to 6¼"
"We charging 5 5/16 Tulsa for Bells Low octane gasoline and above prices being circulated to the trade. Not so good."

NOTE: *It is stipulated* in Exhibit 728 that this letter was sent by J. E. Fritts to W. L. Schafer as an enclosure with Exhibit 243.

4961 **GOVERNMENT EXHIBIT NO. 246.**

October 3, 1935

Shipping and Supplies

Market Stabilization
Gasoline Purchases

Crude Oil Department—

In connection with recent gasoline purchases made in the interest of market stabilization, there has been a general

lack of understanding between the buyer and seller as to the application of the freight differential on shipments to Houston. Almost invariably we are forced to ship to Houston, because insufficient time is allowed to work these purchases off in the normal course of business. If the seller is willing to allow a differential on northern shipments, bringing this material into the group three category, then he should be willing to allow it on shipments to Houston, when he is not in a position to allow the buyer sufficient time to arrange for shipment into the northern territory, since the buyer actually loses money in order to move the material quickly. It is suggested that in the future when making such purchases, we secure the seller's consent to deducting the differential on shipments which we find necessary to make to Houston.

J. H. Salmon

SBK:FB

cc—Sales Distributing Dept.—Mr. H. Jacobs

Stamped "Copy".

Please return to P. E. Lakin's files.

NOTE: *It is stipulated* in Exhibit 728 that this was written by S. B. Kieselhorst, a clerk in the shipping and supplies department under the management of J. H. Salmon, of Shell and a copy was received by Harry Jacobs, assistant to vice president in charge of marketing of Shell.

4962 GOVERNMENT EXHIBIT NO. 247.

July 26, 1935

Shipping & Supplies Dept.
Mr. A. P. Ruether

In connection with the gasoline purchases negotiated by you for the purpose of stabilizing the market, the information that we receive as to the quality of the products is usually insufficient to enable us to determine whether we can ship the material to our bulk depots or jobbers, or if it will be necessary to have it shipped to one of our refineries. In some cases it has been necessary to delay issuing shipping instructions until we could arrange to have a sample analyzed at a refinery before reaching a decision on the movement.

In practically all cases, we understand that the sellers of such merchandise are anxious to obtain immediate shipping instructions and it would expedite matters if at the time

you negotiate such purchases, you would obtain or request the suppliers to wire the following properties:

Initial
End Point
80% Res.
Octane
Glass Dish Gum
Sulphur
Vapor Pressure
Gravity

It is also desirable if you would arrange for a one gallon sample of the product to be shipped to the Wood River refinery for analysis as we can obtain the properties over the phone from Wood River usually on the same day that the sample arrives.

Your cooperation in this respect will be greatly appreciated.

A. W. Frey

cc—Mr. H. Jacobs

Please return to P. E. Lakin's files.

(Handwritten Initials):
"HJ"

NOTE: *It is stipulated* in Exhibit 728 that this document was written by A. W. Frey, assistant manager of the shipping and supplies department and received by A. P. Ruether, manager of the crude oil department.

4963 GOVERNMENT EXHIBIT NO. 248.

Manufacturing Department April 23, 1935.

Review of Gulf Coast Bulk Market Week
Ending April 20, 1935

Mr. A. Fraser:

Natural Gasoline

	Low	High	Average	Net Change Average	1934 Aver.
Group 3	—	—	2⅝	3/16	2⅛
Plus Frt. to Gulf	—	—	1 7/16		1 7/16
Calculated Gulf Price	—	—	4 3/16		3 5/16

No change has been observed in the Gulf position during the preceding week, although the Group 3 price increased

3/16¢ on April 16. Such surplus as exists in the Gulf appears to be largely in the hands of Warren and Hanlon-Buchanan, whose recent activities in this market have been bearish. Their efforts to control the price at reduced levels by small sales have been, for the greater part, ineffective and the market continues to strengthen.

Gasoline

	Low	High	Average	Net Change Average	1934 Aver.
(a) Export					
U. S. Motor	4⅝	4¾	4 11/16	—	4¾
60/64 400 E. P.	4¾	4⅞	4 13/16	—	4½
64-66 375 E. P.	5	5⅛	5 1/16	—	4⅞
(b) Domestic					
U. S. Motor below 59 Octane	5	5⅛	5 1/16	—	5 1/16
U. S. M. 60/64 Oct.	5⅛	5¼	5 3/16	—	5 3/16
U. S. M. 65+ Octane	5¼	5½	5⅜	—	5 7/16

Prices remained unchanged over the preceding week, although the present market is very strong. We can learn of no additional sales made under the buying program and it appears that small refiners have no desire to sell at current prices, feeling that by holding they will be able to secure better prices in the near future. Contact with Platt's representative in Tulsa reveals that small sales in the Gulf at current prices are militating against a rise in this market and that while this representative feels that a disparity exists in comparison with Group 3 prices, they do not feel prepared to advance in the Gulf as long as sales are being made. Since we have been able to secure no information concerning such sales, he was advised accordingly and stated that he would investigate further. We received an offer of 75,000 barrels of 66 plus octane from Refiners Export Corporation for lifting at Texas City at a price of 5½¢, which is ¼¢ above the "current low". We believe that this cargo is made available by the failure to consummate arrangements for the sale of this cargo on the Pacific Coast to be transported by the S.S. "Brandywine". This offer was passed to Platt's representative.

4964

In discussing with New York the disparity in Group 3 Gulf gasoline prices, we were informed of conversations Messrs. van Eck and van der Woude have had with the majors to the effect that further increases in the Gulf market should be sponsored by a rise in crude prices. It is difficult to reconcile this feeling with Shell's position as it would appear that with the excess of crude purchases over

own production it would be more desirable to keep the gasoline price structure at the peak of the market, allowing crude prices to follow.

It appears that the strength of the present market is sponsored by the feeling that gasoline will be in very great demand during the summer months and that if present measures of regulation are continued in effect, prices should be greatly improved.

Kerosine

	Low	High	Average	Net Change Average	1934 Aver.
(a) Export					
44 W. W.	4¼	4½	4⅜	—	4 7/16
41/43 W. W.	4	4¼	4⅛	—	4 3/16
(b) Domestic					
41/43 W. W.	4	4¼	4⅛	—	4½

The kerosine market has been extremely quiet with no changes in the price structure.

Gas Oil

	Low	High	Average	Net Change Average	1934 Aver.
(a) Export					
26/30 Translucent	2⅞	3	2 15/16	—	3 7/16
30+ Translucent			3⅛	—	3⅝
(b) Domestic					
No. 1 Heating Oil	4	4¼	4⅛	—	4 7/16
No. 2 Heating Oil	3⅛	3¼	3 3/16	—	3 13/16
(c) Bunkers—Diesel			1.70	—	1.80

4965 No change was observed in the gas oil market during the past week; prices were likewise stationary throughout the week. In last week's report we mentioned that Jersey had offered gas oil to friends at 3⅛¢ but that friends were not prepared to pay more than 3¢ per gallon and consequently rejected the offer. I have since learned that friends have closed with Jersey through London brokers for one cargo each during May and June at 3⅛¢. From which it is indicated that friends have been unable to find gas oil below that price. Cities Service offered one cargo for May lifting at 3⅛¢, on which the Group countered at 3¢, and so far as we have been able to learn have not as yet agreed with Cities Service on the price for this cargo. We have endeavored to ascertain through New York what

disposition was made of the Eastern States offer for a May cargo at 3¢, which contained a proviso that a second cargo be purchased for July delivery at 3¼¢, but have been unsuccessful. In response to query from friends as to the probable trend of the gas oil market Mr. Airey advised them that it is the opinion in New York that prices will not be any lower than at present, although some spot cargoes may be available during the summer months as low as 3¢ a gallon. Friends have been offered through a London broker one cargo each July and August of California gas oil meeting No. 2 specifications at 2¾¢, on which friends have countered at a price of 2½¢.

Having a surplus of straight run heavy gas oil at Norco it was agreed in view of the preliminary interest displayed by New York brokers to offer one cargo for May lifting at ⅛¢ above the average for No. 2 Furnace Oil, f. o. b. Norco. The offer was placed with New York brokers on the above quotation firm for twenty-four hours but, as expected, the time limit expired without any response other than an indication of interest. In view of interest displayed in this particular oil, which is suitable for cracking stock and gas making purposes, it was felt that we should sit tight for a few days and allow the brokers to develop the market further.

Contracts are being drawn in New York for the next burning oil season on a price based on 3¼¢ Gulf, which is ⅛¢ above the current low quotation.

Grade "C" Fuel Oil

	Low	High	Average	Net Change Average	1934 Aver.
Grade "C"		.85	2.5		1.07½
Bunker		1.00	—		1.15

Although the price increased 2½¢ per barrel during the past week there has been little activity in this market. We have not heard of offerings of any magnitude and it 4966 appears that market prices are fairly representative of current sales. The Government is calling for bids on their requirements for the last half of 1935 amounting to approximately 500,000 barrels in Shell Eastern territory and 117,000 barrels in our territory. We have developed our supply position with a view of enabling Shell Eastern to bid on approximately one-half of the business in their area. Although it is indicated on the basis of anticipated requirements that we would have a deficit of a little over

100,000 at the close of the year if Shell Eastern were to get this business, we have advised them that it is satisfactory to proceed with the understanding that our position can be protected by the acquisition of additional supplies from friends or the outside if this becomes necessary.

Tankers

We are informed that the S.S. "Brandywine" is still anchored off Galveston, having thus far been unsuccessful in securing business.

The "Olympic" was chartered by Shell Union at our suggestion to carry one cargo Grade "C" Fuel Oil from Houston to Fall River at a rate of 16¢ a barrel. Although recent fixtures for both clean and dirty vessels for movement from Gulf ports to points North of Hatteras have been made at 16¢, the tanker market is definitely weaker and it is felt that lower rates can be secured, as indicated by the above mentioned charter of the "Olympic" for one voyage to Fall River, which is equivalent to approximately 14¢ for the usual Gulf-New York movement.

The S.S. "Watertown" lifted gas oil in three parts from American Petroleum, Norsworthy—Sinclair and Stone Oil, Texas City, for consignment to the New York affiliate of the Suburban Fuel Oil Company. This vessel will complete a time charter for the Suburban Fuel Oil Company after the next lifting.

The "Storsten" was fixed at 11/— for a voyage from Constanza to Montreal, ready April 4. The cargo consisted of gasoline and is understood to be for transhipment to Detroit. Although it has been reported that this cargo is on the water, we have been unable to verify this.

C. E. Davis

cc Messrs. Bascom
Galloway
van Eeghen
Salmon
Jacobs
Minner
Ruether X
McGaw

(Handwritten Notation):
"Mr. A. P. Ruether"

4967 **GOVERNMENT EXHIBIT NO. 250.**

Shell Petroleum Corporation

From Crude Oil Department **Date March 6, 1936**

No. **In Re:**

To: Mr. P. E. Lakin.

For your information we quote the following from the East Texas Scout Report of March 4th:

"We have learned that Bell Oil & Gas Company is dealing with Gilliland Refining Company for control of its gathering system and is negotiating with Gilliland for a contract to handle the output of its two refineries. The Bell Company already owns one-half of Gilliland's gathering system and tankage on it.

The Gilliland System is connected to approximately 4,900 barrels daily, and Solvex (Bell) is connected to approximately 4,450 barrels daily. If the two systems can be consolidated, Bell plans to try to increase its runs to 15,000 barrels daily.

About March 1st, the Solvex announced to all its employees that no more "Hot Oil" would be run. If this policy is adhered to, Bell must develop other concessions in order to hold its present connection. Perhaps the company plans to adopt the Frontenac's policy of lending money to producers. It is a known fact that some producers will not stay on Solvex's system unless some extra revenue is derived, and, instead of building the combined total of 9,350 barrels daily to 15,000, it might suffer a loss of a few thousand barrels daily.

We believe that the Bell Company is anticipating a rather extended period of buying by the majors of gasoline at inflated East Texas prices and expects to sell the maximum output of the three plants for months to come. Without a trunk line charge on its crude and a gathering charge on any extra oil sold in the field or coastwise, the prospects for a profitable year seem good. Should the major purchasing companies elect to withdraw their support, the picture might be changed.

The recent purchase by the late Geo. L. Culver of the Union Refining Company and the Roy I. Davis Pipe Line Company's system, which is connected to 48 wells, was not included in the sale of the Solvex pipe line system. The producing wells of Culver, et al, were not purchased by

Bell Oil & Gas Company, some of which are connected to the Roy I. Davis pipe line system.

Certain parties connected with the Bell Company are contemplating the purchase of the Union Refining
4968 Company's refinery and Davis Pipe Line Company's system and propose to operate the refinery on oil received from this system."

The following is a list of major company purchases of East Texas gasoline shipped the week ending 7:00 A. M. February 28th, 1936:

Company Purchasing	Number Cars	Price Paid
Sinclair	30	4⅞¢
Sinclair	25	4⅝¢
Gulf	50	4⅞¢
Gulf	50	4⅝¢
Pure	35	4⅞¢
Texas	35	4⅞¢
Texas	15	4⅝¢
Tide Water	5	4⅞¢
Humble	50	4⅞¢
Continental	5	4⅞¢
Total	300	

A. P. Ruether

"Please return to P. E. Lakin's files."

(Handwritten Notations):

"Miss H—For next tank car meeting—
I will give you date. P. E. L."
"3/10" "T/C Purchases."

4969 DEFENSE EXHIBIT NO. 251.

NOTE: *It is stipulated* in Exhibit 718 that the group of exhibits marked 251-254, 256-260, 262, 265, 267-281, 284-287, 291-296 incl. being market letters following hereafter were written by J. W. Warner and received by J. D. Collins.

4970 GOVERNMENT EXHIBIT NO. 251.

Inter-Office Correspondence

Tide Water Oil Company
Tidal Pipe Line Company

Subject: Weekly Market Letter No. 14

To: Mr. J. D. Collins From: J. W. Warner

Date: April 6, 1935.

The Mid-Continent gasoline market reflects optimism at the close of this week. Improvement in gasoline prices at refineries as well as retail outlets is expected to continue. All reports are favorable from various refining districts. Refiners seemingly are not at all fearful of the price structure breaking down unless prices are boosted too fast.

Published quotations advanced again this week on all grades of Motor gasoline. Prices have advanced on an average of 1/8¢ to 1/4¢ for the last six or seven weeks. Many observers are of the opinion that a gradual increase has a better chance to build a more firm and lasting price structure than a rapid advance would have. This gradual advance in prices and increase in seasonal consumption has given hope of a satisfactory market for the next few months.

Refiners in the East Texas District are not offering Motor gasoline for northern shipment at this time. Practically all legal tendered gasoline is being shipped to Gulf Coast points, as the freight rates are .00165 higher from East Texas than from Oklahoma to the northern states, and East Texas refiners are not willing to absorb this differential to meet Group 3 quotations at the present time.

Major companies have continued quite active buyers on the spot market this week, seeking to eliminate any possible chance of distress gasoline being offered. The improvement in the market the last few weeks is considered directly due to the cooperative efforts of major companies participating in the movement.

Jobbers have shown more interest in the spot market the last few days. However, demand for tank car gasoline has been somewhat disappointing to some sellers. The current pick-up in gasoline consumption is slow, not showing an increase compared to what many have expected for this season of the year.

Kerosene has been in good demand this week, especially the better grades. Heavier grades of burning oils are not

quite so active. Tractor Distillate, however, is in good demand.

Published quotations on the general list of refinery products for today are as follows:

4971

U. S. Motor,	Below 62 Octane	4¼¢ to 4⅜¢
"	63-70 Octane	5¢
"	71 Octane and above	5¼¢
60/62-400,	Below 62 Octane	4¼¢ to 4⅜¢
"	63-70 Octane	5¢ to 5⅛¢
60/62-400	71 Octane and above	5¼¢
68/70-360		4⅜¢ to 4½¢
42-44 Kerosene		3⅝¢ to 3⅞¢
41-43 Kerosene		3½¢ to 3⅝¢
38-40 P. W. Distillate		3⅛¢ to 3¼¢
38-40 L. S. Distillate		3¢ to 3⅛¢
32-36 Zero Gas Oil		2⅞¢ to 3¢
28-30 Zero Fuel Oil		2¾¢ to 2⅞¢
Natural Gasoline		2⅛¢ to 2¼¢

Marketers and brokers report the resale price from 4⅛¢ to 4¼¢ on the Low Octane Motor Gasoline, and that refiners are advancing their resale quotations along with each advance in published prices.

Below is a comparison of our stocks on hand as of March 1st and April 1st.

	March 1st	April 1st
Tydol Ethyl	146,000	43,000
Hi-Test Tydol	3,446,000	3,793,000
Bronze Leaded	288,000	499,000
60/62-437	517,000	308,000
68/70-360	136,000	82,000
	4,533,000	4,725,000
Kerosene	265,000	94,000
Distillate	2,327,000	1,762,000
Tractor Fuel	60,000	212,000
Stoddard Solvent	4,000	4,000
Fuel Oil	1,305,000	1,313,000

Total finished gasoline stocks April 1st are approximately 200,000 gallons more than they were March 1st. Ethyl

gasoline stocks have dwindled 100,000 gallons, as it is not necessary to currently replenish this stock, due to its slow movement. We still have on hand over 1,500,000 gallons of Distillate, and it is likely a portion of this material will be rerun by the refinery, as the Operating Section reports it is more profitable than selling same on the spot market at present prices.

We are showing below a comparison of our estimated schedule with shipments for the month of March.

4972

	Schedule	Shipments	Percent
Tydol Ethyl	104,000	76,000	73.1
Hi-Test Tydol	4,810,000	5,300,000	110.0
Tidex	962,000	678,000	70.5
Magnolia Ethyl	26,000	16,000	61.5
Magnolia Regular	1,378,000	1,029,000	74.7
Unbranded	832,000	854,000	102.6
	8,112,000	7,953,000	98.
Kerosene	858,000	784,000	91.4
38-40 Distillate	754,000	748,000	99.2
Tractor Fuel	286,000	384,000	134.3
Fuel Oil	3,484,000	4,300,000	123.4

Total gasoline shipments for the month show 98% of schedule. Tydol gasoline is well over schedule, while the other two branded grades are short of schedule by 30%. Total branded gasoline shipments for the month equal 6,054,000 gallons, of which 87.5% is Tydol, 11.2% Tidex, and 1.3% Ethyl. Unbranded shipments equal 102% of schedule, which includes Bronze, Tydol Aero, and Motor Gasoline.

J. W. Warner

JFB/JK

4973 GOVERNMENT EXHIBIT NO. 252.

Inter-Office Correspondence

Tide Water Oil Company
Tidal Pipe Line Company

Subject: Weekly Market Letter No. 15

To: Mr. J. D. Collins From: J. W. Warner

Date: April 13, 1935

The refined gasoline market in general has made another advance this week toward the stabilization of market prices. Refiners and other market observers are optimistically inclined and express the belief that prices will continue to improve over the next few months.

The important factor of this week was an advance in tank wagon and service station prices of .003 throughout the Standard of Indiana territory effective the 12th on all grades of gasoline. The advance has been anticipated generally for the last several days and is the second advance of this extent posted in the last three weeks, which bears out Standard's new policy of advancing retail prices gradually along with improved tank car prices. With this advance of .003 the margin between retail prices and refinery quotations is still held close to the regular 5½¢ margin necessary for the jobber to operate and take care of dealer discounts. This should have a tendency to keep markets stabilized.

Tank car gasoline prices have held firm in all refinery districts, which has been made possible through the aid of inter-refinery buying. Major companies have continued to be active purchasers. However, in Oklahoma the small refiners that have their regular outlets, jobbers they normally supply, are not depending on major company purchases to a large extent. East Texas gasoline is being absorbed mainly through local and Gulf Coast movement.

Published quotations have not advanced on tank car gasoline this week, although refinery resale prices have advanced approximately ⅛¢. Spot market trading on gasoline is reported by some marketers as more lively, while others report not much activity. However, the general belief is that jobbers are not willing to buy ahead of their current requirements.

Kerosene demand is good, with prices holding firm. Burning distillates are in active demand this week, with only

a few suppliers quoting on the open market. Industrial oils are steady.

Published quotations on the general list of refinery products for today are as follows:

4974

U. S. Motor,	Below 62 Octane	4¼¢ to 4½¢
U. S. Motor,	63-70 Octane	5¢ to 5¼¢
U. S. Motor,	71 Octane and above	5¼¢
60/62-400,	Below 62 Octane	4⅜¢ to 4½¢
60/62-400,	63-70 Octane	5⅛¢ to 5¼¢
60/62-400,	71 Octane and above	5¼¢
68/70-360		4½¢ to 4¾¢
42-44 Kerosene		3¾¢ to 3⅞¢
41-43 Kerosene		3½¢ to 3⅝¢
38-40 P. W. Distillate		3⅛¢ to 3¼¢
38-40 L. S. Distillate		3¢ to 3⅛¢
32-36 Zero Gas Oil		2⅞¢ to 3¢
28-30 Zero Fuel Oil		2¾¢ to 2⅞¢
Natural Gasoline		2½¢ to 2⅝¢

Marketers and brokers report the resale price of Low Octane Motor Gasoline at 3¼¢ f. o. b. Group 3. East Texas refinery quotations are 3⅛¢, f. o. b. East Texas. Natural gasoline prices have advanced ⅜¢ this week.

Below is a comparison of our stocks on hand as of April 1st and 12th.

	April 1st	April 12th
Tydol Ethyl	43,000	32,000
Hi-Test Tydol	3,793,000	3,514,000
Bronze Leaded	499,000	721,000
60/62-437	308,000	416,000
68/70-360	82,000	—
	4,725,000	4,683,000
Kerosene	94,000	268,000
Distillate	1,762,000	1,581,000
Tractor Fuel	212,000	103,000
Stoddard Solvent	4,000	24,000
Fuel Oil	1,313,000	1,633,000

Total finished gasoline stocks April 12th are practically unchanged from total stocks shown for the first of the month. Tydol stock is down approximately 300,000 gal-

lons, while Bronze Leaded stock has been replenished by 200,000 gallons. We have entirely disposed of our stock of 68/70-360 gasoline, as this grade will not be in demand for the next few months.

We are showing below a comparison of our estimated schedule with shipments for the period of April 1st to 11th inclusive.

4975	Schedule	Shipments	Percent
Tydol Ethyl	40,000	44,000	110.0
Hi-Test Tydol	2,120,000	2,152,000	101.5
Tidex	460,000	328,000	71.3
Magnolia Ethyl	10,000	——	
Magnolia Regular	460,000	474,000	103.0
Unbranded	330,000	304,000	92.
	3,420,000	3,302,000	96.5
Kerosene	350,000	308,000	88.
38-40 Distillate	190,000	204,000	107.4
Tractor Fuel	120,000	144,000	120.
Fuel Oil	1,440,000	1,400,000	97.2

Our total percentage of gasoline shipments to schedule equals 96.5%. All grades of gasoline compare favorably with the exception of Tidex. In making a comparison of Tydol shipments with this same period last year we find our shipments for 1935 exceed 1934 by twelve cars. Tidex shipments, however, for this year, are short approximately the same number of cars which proves to us that Tidex users are being converted to Tydol, since there is only a 1¢ differential.

JFB/JK J. W. Warner

4976 **GOVERNMENT EXHIBIT NO. 253.**

Inter-Office Correspondence

Tide Water Oil Company
Tidal Pipe Line Company

Subject: Weekly Market Letter No. 16

To: Mr. J. D. Collins **From: J. W. Warner**
Date: April 20, 1935

The gasoline market for this week has been steady, with pronounced advancing tendencies apparent. Refiners have continued to be optimistic and are still holding out for higher prices. Some observers feel the present danger of the market is over-enthusiasm for higher prices, and fear a reaction if quotations are advanced too rapidly before the season of heavy gasoline consumption begins.

The present general advance of prices has been unlike several other market advances, as no artificial stimulants have been employed. Prices have been boosted by actual purchases through the support of major company cooperation in eliminating surplus gasoline stocks at various small refineries. For this reason, most observers feel the market will continue firm for the next few months if major companies will continue to give active support in absorbing a small percentage of the gasoline production on the open market. Published quotations were again advanced ⅛¢ this week on all grades of Motor Gasoline.

Marketers experienced considerable activity from jobbers the first part of the week, due to an advance in freight rates of 1¢ per cwt. that became effective April 18th. Refiners in all districts reported a brisk wave of shipping instructions on gasoline and other products ahead of the freight advance. Only small quantities of gasoline were shipped without being consigned to final destinations, and are not likely to cause any price disturbance.

The Standard Oil Company of Indiana announced that service station prices would be adjusted upward .001 per gallon on the same date, at all points where the new freight rate was effective.

Refiners quoting on the spot market have continued throughout the week to hold their prices on gasoline close to published quotations. Gasoline offered on the open

market has been limited to odd car lots in Oklahoma. Improved conditions in East Texas the last few days have been noticeable, as less illegally produced gasoline is being offered. Reports from East Texas show the Railroad Commission has intra-state shipping under better control at this time.

Spot market trading today is not so active as the first part of the week, as many jobbers stocked up prior 4977 to the freight advance. Major companies have continued to order out spot gasoline in support of the buying program.

Kerosene demand has been quite active during the week, with only limited quantities available to spot purchasers. Burning oils have also been in active demand, due to cool weather and the small quantity offered by refiners.

Published quotations on the general list of refinery products for today are as follows:

U. S. Motor, Below 62 Octane	4⅜¢ to 4⅝¢
U. S. Motor, 63-70 Octane	5⅛¢ to 5⅜¢
U. S. Motor, 71 Octane and above	5⅜¢
60/62-400, Below 62 Octane	4⅜¢ to 4⅝¢
60/62-400, 63-70 Octane	5⅛¢ to 5⅜¢
60/62-400, 71 Octane and above	5⅜¢
68/70-360	4⅝¢ to 4⅞¢
42-44 Kerosene	3¾¢ to 3⅞¢
41-43 Kerosene	3½¢ to 3⅝¢
38-40 P. W. Distillate	3⅛¢ to 3¼¢
38-40 L. S. Distillate	3¢ to 3⅛¢
32-36 Zero Gas Oil	2⅞¢ to 3¢
28-30 Zero Fuel Oil	2¾¢ to 2⅞¢
Natural Gasoline	2¾¢

Reports from marketers and brokers today show general quoted prices on the Low Octane Motor Gasoline the same as at the close of last week, or 4¼¢ f. o. b. Group 3. Natural Gasoline prices advanced ¼¢ during the week.

Below is a comparison of our stocks on hand as of April 1st and 19th.

	April 1st	April 19th
Tydol Ethyl	43,000	151,000
Hi-Test Tydol	3,793,000	3,111,000
Bronze Leaded	499,000	716,000
60/62-437	308,000	524,000
68/70-360	82,000	—
	4,725,000	4,502,000
Kerosene	94,000	333,000
Distillate	1,762,000	1,377,000
Tractor Fuel	212,000	95,000
Stoddard Solvent	4,000	24,000
Fuel Oil	1,313,000	1,590,000

Our total finished gasoline stocks are slightly lower than last week and approximately 200,000 gallons below 4978 stocks for April 1st. Hi-Test Tydol stock was reduced 400,000 gallons, while Tydol Ethyl and U. S. Motor stocks were replenished from unfinished gasoline stock. The Operating Department is building up the Kerosene gallonage at this time, due to the improved demand for this product.

We are showing below a comparison of our estimated schedule with our shipments for the period of April 1st to 18th, inclusive.

	Schedule	Shipments	Percent
Tydol Ethyl	64,000	64,000	100.
Hi-Test Tydol	3,392,000	3,800,000	112.
Tidex	736,000	684,000	92.9
Magnolia Ethyl	16,000	16,000	100.
Magnolia Regular	736,000	816,000	110.9
Unbranded	528,000	536,000	101.5
	5,472,000	5,916,000	108.1
Kerosene	560,000	552,000	98.6
38-40 Distillate	304,000	452,000	148.7
Tractor Fuel	192,000	280,000	145.8
Fuel Oil	2,304,000	2,100,000	91.1

Our total percentage of gasoline shipments to schedule equals 108%. This is an increase of 12% over last week's

comparison. Most all product shipments reflect an increase in percentage. Tydol and Tidex especially show improvement, which is due partly to jobbers ordering heavily, prior to the freight advance. Total branded gasoline shipments so far this month equal 4,548,000 gallons, of which 83.6% is Tydol, 15% Tidex, and 1.4% Tydol Ethyl. This comparison shows a small gain in percentage for Tidex, as our comparison of branded products for March shows 11%.

J. W. Warner

JFB/JK

4979 GOVERNMENT EXHIBIT NO. 254.

Inter-Office Correspondence
Tide Water Oil Company
Tidal Pipe Line Company

Subject: Weekly Market Letter No. 17

To: Mr. J. D. Collins From: J. W. Warner

Date: April 27, 1935

The gasoline market in the Mid-Continent territory is firm. Published quotations were again advanced during the week in keeping with the gradual tightening of refinery quotations.

With the approach of the heavy consuming season refiners are becoming more optimistic that prices will continue on the up grade. Observers especially feel if the present support is maintained and good judgment is shown in keeping a balanced market as is reflected today, the market should continue firm throughout the summer months.

The major company buying movement coupled with the allocation of refinery crude runs, is considered largely responsible for the improvement in the refinery gasoline market the last several weeks. Major companies have been quite active the past few days in supporting the refinery market by absorbing odd car lots of gasoline. Most of the buying has taken place in Texas.

Tank wagon and service station markets also show improvement as reports indicate soft spots in the retail markets are rapidly disappearing. Retail market demand is expected to increase materially in several middle western states where the Government has appropriated large sums

of money for farm erosion work. This should help to strengthen tank car gasoline and Kerosene prices.

Refiners quoting on the spot market have advanced their resale quotations on Low Octane Motor Gasoline 1/8¢ this week. Observers today expressed the feeling that tank car prices should advance again within the next few days. East Texas refiners are moving the larger portion of their gasoline to Gulf Coast points and are realizing slightly higher prices than Group 3 refiners are today for northern shipment.

The spot market has been comparatively dull for several weeks, due to open market trading being below the expectancy for this season of the year. However, marketers report a slight increase in jobber activity the last few days.

As a result of the Spring farming season there has been a decided pick-up in Kerosene demand. However, no change in published prices has been made. All grades of burning oils have held firm and brokers report a supply of the better grades is extremely difficult to locate.

4980 Published quotations were advanced 1/8¢ on all grades of Motor Gasoline this week. Published quotations on the general list of refinery products for today are as follows:

U. S. Motor, Below 62 Octane	4½¢ to 4⅝¢
U. S. Motor, 63-70 Octane	5¼¢ to 5⅜¢
U. S. Motor, 71 Octane and above	5½¢
60/62-400, Below 62 Octane	4½¢ to 4⅝¢
60/62-400, 63-70 Octane	5¼¢ to 5⅜¢
60/62-400, 71 Octane and above	5½¢
68/70-360	4⅝¢ to 4⅞¢
42-44 Kerosene	3¾¢ to 3⅞¢
41-43 Kerosene	3½¢ to 3¾¢
38-40 P. W. Distillate	3⅛¢ to 3¼¢
38-40 L. S. Distillate	3¢ to 3⅛¢
32-36 Zero Gas Oil	2⅞¢ to 3¢
28-30 Zero Fuel Oil	2¾¢ to 2⅞¢
Natural Gasoline	2¾¢

Market information today shows refiners are quoting resale material at 4⅜¢ to 4½¢ on the Low Octane Motor grade in Oklahoma. East Texas quotations are 4⅜¢, f. o. b. East Texas.

Below is a comparison of our stocks on hand as of April 1st and 26th.

	April 1st	April 26th
Tydol Ethyl	43,000	96,000
Hi-Test Tydol	3,793,000	3,260,000
Bronze Leaded	499,000	565,000
60/62-437	308,000	668,000
68/70-360	82,000	—
	4,725,000	4,589,000
Kerosene	94,000	344,000
Distillate	1,762,000	1,210,000
Tractor Fuel	212,000	102,000
Stoddard Solvent	4,000	24,000
Fuel Oil	1,313,000	1,749,000

Our total finished gasoline stocks are practically unchanged from last week, and are approximately 200,000 gallons below stocks for April 1st. However, the various grades are slightly changed from our last report.

4981 We are showing below a comparison of our estimated schedule with shipments for the period of April 1st to 25th, inclusive.

	Schedule	Shipments	Percent
Tydol Ethl	88,000	92,000	104.5
Hi-Test Tydol	4,664,000	4,864,000	104.3
Tidex	1,012,000	908,000	89.7
Magnolia Ethyl	22,000	24,000	109.1
Magnolia Regular	1,012,000	1,089,000	107.6
Unbranded	726,000	704,000	97.
	7,524,000	7,681,000	102.1
Kerosene	770,000	716,000	93.
38-40 Distillate	418,000	556,000	133.
Tractor Fuel	264,000	392,000	148.4
Fuel Oil	3,168,000	2,670,000	84.3

The total percentage of gasoline shipments to schedule equals 102%. This is a decrease of 6% under last week's comparison which was due to our heavy shipping schedule prior to the freight advance of 1¢ per cwt. on the 18th.

J. W. Warner

JFB/JK

4982 **GOVERNMENT EXHIBIT NO. 256.**

Inter-Office Correspondence

Tide Water Oil Company
Tidal Pipe Line Company

Subject: Weekly Market Letter No. 19

To: New York—Mr. J. D. Collins From: J. W. Warner

Date: May 11, 1935

The gasoline market has continued its strong position. There was nothing this week to denote a change of sentiment in the underlying strength of the tank car gasoline market which has been characterized for the last two months.

The tank wagon and service station price advance last week in the Standard of Indiana territory gave added hope to refiners and jobbers alike for continuation of improvement in the gasoline market. Published quotations were advaneed on the low octane Motor grade this week.

Refiners have been persistent in their efforts to advance prices on gasoline. Refiners offering gasoline on the open market have not offered large quantities that would tend to cause the market to slump. Instead the surplus stocks have been absorbed by major companies.

In checking with marketers today we find they are unable to buy gasoline in large quantities from any one district. Refiners are not willing to quote lower than 1/8¢ below published prices for their resale material. In the East Texas district they are especially holding to high prices, as they are in most cases today quoting 4½¢ f. o. b. East Texas. This would make the cost to northern marketers above the low of published prices. Consequently brokers are placing the major portion of their purchases in North Texas and Oklahoma for northern shipment.

Inter-refinery buying continued quite active on gasoline this week in East Texas. Refiners in that district reported early in the week they were sold up until the following week. The major portion of gasoline shipments are moving to gulf coast points.

Demand for spot gasoline has shown slight improvement according to some observers, however, weather conditions are still reported unfavorable in some territories

for gasoline consumption. Contract gasoline shipments have been moving comparatively slow this week. The kerosene market has continued on the upgrade this week. Prices have been advanced another 1/8¢. Suppliers of kerosene are reported scarce with only limited quantities available at the higher prices. Several refiners have been purchasing kerosene to supply their contract cus-
4983 tomers. Standard of Indiana effective May 10th restored normal tank wagon kerosene prices throughout Indiana, Illinois, Wisconsin, Minnesota, Iowa, Missouri, North and South Dakota. They also announced today they would advance kerosene tank wagon prices 3/10¢ Tuesday of the coming week.

Published quotations on the general list of refinery products for today are as follows:

U. S. Motor, Below 62 Octane	4⅝¢ to 4¾¢
U. S. Motor, 63-70 Octane	5¼¢ to 5½¢
U. S. Motor, 71 Octane and above	5½¢ to —
60/62-400, Below 62 Octane	4⅝¢ to 4¾¢
60/62-400, 63-70 Octane	5¼¢ to 5½¢
60/62-400, 71 Octane and above	5½¢ to —
68/70-360	4¾¢ to 5¢
42-44 Kerosene	4¼¢ to 4⅜¢
41-43 Kerosene	4¢ to 4⅛¢
38-40 P. W. Distillate	3½¢ to 3⅝¢
38-40 L. S. Distillate	3⅜¢ to 3½¢
32-36 Zero Gas Oil	3¢ to 3⅛¢
28-30 Zero Fuel Oil	2¾¢ to 2⅞¢
Natural Gasoline	3⅛¢ to —

Resale prices quoted today on the low octane Motor gasoline are 4½¢ to 4⅝¢ f. o. b. Group Three. Natural Gasoline prices are up 1/8¢ this week.

Below is a comparison of our stocks on hand as of May 1st and May 10th.

	May 1st	May 10th
Tydol Ethyl	86,000	75,000
Hi-Test Tydol	2,814,000	2,693,000
Bronze Leaded	451,000	588,000
6/62-437	684,000	707,000
	4,035,000	4,063,000
Kerosene	280,000	220,000
Distillate	1,166,000	1,000,000
Tractor Fuel	124,000	102,000
Stoddard Solvent	24,000	24,000
Fuel Oil	1,596,000	1,607,000

Our total finished gasoline stocks are practically unchanged today from May 1st.

4984 We are showing below a comparison of our estimated schedule with shipments for the period of May 1st to May 9th, inclusive:

	Schedule	Shipments	Percent
Tydol Ethyl	32,000	12,000	37.5
Hi-Test Tydol	1,848,000	1,620,000	87.7
Tidex	432,000	288,000	66.7
Magnolia Ethyl	8,000	—	—
Magnolia Regular	448,000	324,000	72.3
Unbranded	280,000	268,000	95.7
	3,048,000	2,512,000	82.4
Kerosene	248,000	268,000	108.3
38-40 Distillate	64,000	188,000	293.7
Tractor Fuel	112,000	184,000	164.3
Fuel Oil	—	1,250,000	—

Gasoline shipments so far this month have been comparatively slow, as you will notice our total percentage to schedule equals only 82.4%. However, we hope to make a better showing as soon as more favorable weather conditions exist for gasoline consumption. Our burning oil distillate percentage of shipments are far above schedule.

J. W. Warner

JFB:HC

4985 **GOVERNMENT EXHIBIT NO. 257.**

Inter-Office Correspondence
Tide Water Oil Company
Tidal Pipe Line Company

Subject: Weekly Market Letter No. 20

To: Mr. J. D. Collins **From: J. W. Warner**

Date: May 18, 1935

All market indicators still point to a firm and steady Mid-Continent gasoline market with additional price advances materializing on some grades of tank car gasoline during the week. The advancing tendency of the market has not been confined to gasoline only but has also included practically the entire refinery list, with Kerosene prices firmly established at last week's advanced level and Distillate quotations showing an additional ⅛¢ increase.

Refiners and marketers in general appear to be in accord in their view of the present market being established on a firm foundation, or at least considerably more so than at any time in the past many months. These thoughts are expressed in view of the prevailing conditions of the crude production end of the industry, the control movement of so-called "hot oil", and the products manufactured from same, and also the present basis of refinery operations, as all of these factors hold important places in the making of the market.

In addition to the above mentioned favorable market factors, observers also point out we are now entering the heavier gasoline consuming season, which should materially help to further strengthen the tank car price structure. Any further increase in tank car prices should also bring about another advance in service station prices if the present established 5½¢ jobber margin is to be maintained, as this spread between tank car and service station now is practically on the 5½¢ line.

Inter-refinery buying has continued to absorb the small independent refiners' surplus stock that otherwise might become burdensome to the market, with the result that no distress gasoline has been reported as being offered on the open market. Although spot demand for gasoline has been somewhat below the normal seasonal demand, due to unfavorable weather conditions in various territories, there

has been no indication of any refiners showing a tendency to shade their prices in an effort to increase buying.

The small number of East Texas refiners that are operating on legal tender crude are reported as having a steady outlet for their output from major companies. The reported price being paid for Low Octane Motor is 4½¢ f. o. b. plant, which is .00165 per gallon better net back to the refiner than trying to move it to northern buyers
4986 and equalize the Group 3 freight. North Texas and Oklahoma refiners have been receiving the limited quantity of tank car brokerage business that is being placed with the major companies also picking up some of the surplus gasoline in these districts.

Kerosene continues to hold the spotlight of the refinery list with prices exceptionally firm and open market supplies comparatively scarce. Several major refiners have been in the market to buy not as a market supporter but through necessity, due to a lack of material to supply their contract accounts. The prolonged damp spring weather has kept Distillate in good demand for heating purposes and in addition there has been a good call for the better grades as Tractor Fuel. Consequently, quotations have moved to a higher level.

Published quotations on the general list of refinery products for today are as follows:

U. S. Motor, Below 62 Octane	4⅝¢ to 4¾¢
U. S. Motor, 63-70 Octane	5⅜¢ to 5½¢
U. S. Motor, 71 Octane and above	5⅝¢
60/62-400, Below 62 Octane	4⅝¢ to 4¾¢
60/62-400, 63-70 Octane	5⅜¢ to 5½¢
60/62-400, 71 Octane and above	5⅝¢
68/70-360	4⅞¢ to 5¢
42-44 Kerosene	4¼¢ to 4⅜¢
41-43 Kerosene	4¢ to 4⅛¢
38-40 P. W. Distillate	3⅝¢ to 3¾¢
38-40 L. S. Distillate	3½¢ to 3⅝¢
32-36 Zero Gas Oil	3⅛¢ to 3¼¢
28-30 Zero Fuel Oil	2¾¢ to 2⅞¢
Natural Gasoline	3¢ to 3⅛¢

Brokers report refiners are holding gasoline quotations to a firm level and do not appear in need of broker business. They say occasional cars of Low Octane Motor can be purchased at 4½¢ but in some cases the refiners are asking 4⅝¢ for resale material.

Below is a comparison of our stocks on hand as of May 1st and 17th.

	May 1st	May 17th
Tydol Ethyl	86,000	67,000
Hi-Test Tydol	2,814,000	3,114,000
Bronze Leaded	451,000	390,000
60/62-437	684,000	690,000
	4,035,000	4,261,000
4987 Kerosene	280,000	230,000
Distillate	1,166,000	958,000
Tractor Fuel	124,000	84,000
Stoddard Solvent	24,000	24,000
Fuel Oil	1,596,000	1,500,000

Total gasoline stocks show but slight change since the first of the month, with each grade of gasoline showing only our usual normal working stock. Kerosene stocks remain low, due to the steady movement on this product. The Distillate stock has been gradually reduced as shipments have continued comparatively good for this season of the year.

We are showing below a comparison of our shipments with our estimated schedule for the period of May 1st to 16th, inclusive.

	Schedule	Shipments	Percent
Tydol Ethyl	56,000	28,000	50.
Hi-Test Tydol	3,234,000	3,052,000	94.4
Tidex	756,000	548,000	72.5
Magnolia Ethyl	14,000	----	----
Magnolia Regular	784,000	630,000	80.4
Unbranded	490,000	456,000	93.1
	5,334,000	4,714,000	88.4
Kerosene	434,000	448,000	103.2
38-40 Distillate	112,000	288,000	257.1
Tractor Fuel	196,000	312,000	159.2
Fuel Oil	----	2,250,000	----

Although contract gasoline shipments have continued slightly below normal for another week, our percentage as compared to schedule has increased over last week and now shows 88%. Shipments should no doubt continue to show an increase as weather conditions become more favorable.

Total branded gasoline shipments to date this month equal 3,628,000 gallons, with Tidex showing a higher percentage of total or now 15%, with Ethyl 1% and Hi-Test Tydol 84%. Kerosene and Distillate shipments both show above our schedule, due to the steady demand from our contract customers on these products.

J. W. Warner

ROA/JK

4988 GOVERNMENT EXHIBIT NO. 258.

Inter-Office Correspondence
Tide Water Oil Company
Tidal Pipe Line Company

Subject: Weekly Market Letter No. 22

To: Mr. J. D. Collins From: J. W. Warner

Date: June 1, 1935

The decision of the Supreme Court this week invalidating the NRA disturbed the Mid-Continent gasoline market to some degree for a brief period. Traders paused in their activities and uncertainty was apparent among market observers in general with some of them expressing fear of another demoralized market. However, much to the surprise of many, as the week closed published quotations show ⅛¢ advance on the low octane grade of Motor gasoline.

Immediately after the Court decision announcement there were indications of uneasiness among some of the small independent refiners with some of them showing a tendency to immediately increase their quantity of open market material, apparently in an effort to dispose of accumulated gasoline stock. However, there was no general move toward lower quotations, although a few sales were made in East Texas to brokers at slightly below the going price, but for a brief period only. The brokers apparently held this material temporarily or endeavored to obtain some extra profit by maintaining a selling price the same as published quotations, consequently did not depress the market as is evidenced by the advance in trade journal prices today.

When the information circulated that some of the small refiners were becoming uneasy and increasing their spot offerings, the major companies promptly put forth more effort toward clearing the open market of any excess gaso-

line that might cause a general break in the established price structure. Their purchases of East Texas gasoline for shipment to the gulf were made on the basis of 4⅝¢ f.o.b. refinery and their orders for northern shipment were placed on the established quotation of 4⅝¢, Group Three, for the low octane grade of Motor.

This increased action on the part of majors apparently increased the activities of the brokers, as it is reported that some of them entered the market and placed sizeable orders at 4½¢, f.o.b. Group Three freight, which was evidence they would have to sell at the established price range in order to realize any profit. In view of the market strength that has been maintained up to the present and with the hope of a seasonal increase in demand, market observers continue optimistic in their views. However, they are not over optimistic, realizing quite well that any break in production control and any move toward increases refinery operations could change the picture drastically in short order.

4989 The temporary doubtful position of the gasoline market had no bad effect on prices of other refinery products, as kerosene has continued in good demand and prices steady. Tractor Fuel and the better grades of Distillate that can be used for tractors are receiving a good call with prices firm.

Published quotations today on the general list of refinery products are as follows:

U. S. Motor, below 62 Octane	4¾¢	to 4⅞¢
U. S. Motor, 63-70 Octane	5½¢	to 5⅝¢
U. S. Motor, 71 Octane and above	5⅝¢	to .....
60/62-400, below 62 Octane	4¾¢	to 4⅞¢
60/62-400, 63-70 Octane	5½¢	to 5⅝¢
60/62-400, 71 Octane and above	5⅝¢	to
68/70-360	4⅞¢	to 5¢
42-44 Kerosene	4¼¢	to 4⅜¢
41-43 Kerosene	4¢	to 4⅛¢
38-40 P. W. Distillate	3⅝¢	to 3¾¢
38-40 L. S. Distillate	3½¢	to 3⅝¢
32-36 Zero Gas Oil	3⅛¢	to 3¼¢
28-30 Zero Fuel Oil	2¾¢	to 2⅞¢
Natural Gasoline	3¢	to .....

Brokers report their buying prices today are somewhat irregular. They say it is possible they can still obtain the low octane grade of Motor at 4½¢, but are not sure how much is available at this price, as some of their suppliers

have advanced to 4⅝¢ since the advance in published quotations effective today.

Below is a comparison of our finished gasoline stocks on hand as of May 1st and May 31st:

	May 1st	May 31st
Tydol Ethyl	86,000	24,000
Hi-Test Tydol	2,814,000	2,746,000
Bronze Leaded	451,000	300,000
60-62-437	684,000	742,000
	4,035,000	3,812,000
Kerosene	280,000	146,000
Distillate	1,166,000	717,000
Tractor Fuel	124,000	103,000
Stoddard Solvent	24,000	36,000
Fuel Oil	1,596,000	1,636,000

4990 Total finished gasoline stocks reflect but little change during the month of May with only a normal fluctuation in the stock of the various grades as shipments move and storage tanks are replenished. Our Kerosene stock is still considerably below normal due to our steady demand for this product. Distillate stock has been reduced as we have discontinued making this product for the present and shipments are all made from the storage we have on hand.

We are showing below a comparison of our shipments with our estimated schedule for the month of May:

	Schedule	Shipments	Percent
Tydol Ethyl	104,000	56,000	53.8
Hi-Test Tydol	6,006,000	5,900,000	98.2
Tidex	1,404,000	1,032,000	73.5
Magnolia Ethyl	26,000	8,000	30.8
Magnolia Regular	1,352,000	1,305,000	96.5
Unbranded	858,000	856,000	99.7
	9,750,000	9,157,000	93.9
Kerosene	806,000	798,000	99.0
38-40 Distillate	208,000	392,000	188.4
Tractor Fuel	364,000	492,000	135.2
Fuel Oil	.....	3,830,000	.....

We finished the month with total gasoline shipments equalling approximately 94% of our estimated schedule.

Hi-Test Tydol shipments for the month were practically the same as our estimate for the month, however, Ethyl and Tidex were below our estimate. Total branded shipments for the month equalled 6,988,000 gallons, consisting of 1% Ethyl, 15% Tidex and 84% Tydol.

J. W. Warner

ROA:HC

4991 GOVERNMENT EXHIBIT NO. 259.

Inter-Office Correspondence

Tide Water Oil Company
Tidal Pipe Line Company

Subject: Weekly Market Letter No. 23

To: Mr. J. D. Collins From: J. W. Warner

Date: June 8, 1935

The reaction of the Mid-Continent Gasoline market as a result of the invalidated Oil Code has been very encouraging to date, and present indications point to a continuation of a steady market for the near future. Close cooperation on the part of both large and small refiners has kept the spot market well in hand, and as a result, published quotations were advanced ⅛¢ this week on the Regular 63/70 Octane grade of motor gasoline.

While it is true the elimination of the Oil Code caused some uneasiness in the refining group and a few observers are possibly still skeptical about the future, however, this week's market showing has brought about increased confidence, as the recent advance in prices has caused most observers to believe the present firmness can be maintained. These views apparently are based on the assumption that refiners in general who have benefitted by the cooperative plan will continue in the buying program and voluntarily adhere to allocated refinery operation.

The movement of spot gasoline has been somewhat below the normal seasonal demand this week due to weather conditions, but the companies participating in the buying program have kept a watchful eye for any gasoline that might resemble distress material, and to date no unnoticeable weak spots have developed. Major companies are still actively purchasing East Texas gasoline for Gulf coast

movement, and also placed orders in other refining districts for shipments north to their jobbing accounts and direct marketing operations.

With the tank car price structure gradually moving upward, many predictions are now expressed that another advance in service station price will be posted within the near future, as today's margin between delivered tank car cost and retail price is less than the established 5½¢ figure.

The Kerosene market has reflected some weakness during the past few days as compared with its recent strong position, but not to the extent of lowering published quotations. Unfavorable weather has also slowed up the demand for Tractor Fuel to some degree, but no general decrease in the quotation range is expected at this season of the year.

4992 Published quotations today on the general list of refinery products are as follows:

U. S. Motor	below 62 Octane	4¾¢ to 4⅞¢
" "	63-70 Octane	5⅝¢ to 5¾¢
" "	71 Octane and above	5¾¢ to
60/62-400	below 62 Octane	4¾¢ to 4⅞¢
60/62-400	63-70 Octane	5⅝¢ to 5¾¢
60/62-400	71 Octane and above	5¾¢ to
68/70-360		5¢ to 5⅛¢
42-44	Kerosene	4¼¢ to 4⅜¢
41-43	Kerosene	4¢ to 4⅛¢
38-40	P. W. Distillate	3⅜¢ to 3⅝¢
38-40	L. S. Distillate	3¼¢ to 3½¢
32-36	Zero Gas Oil	3¢ to 3¼¢
28-30	Zero Fuel Oil	2¾¢ to 2⅞¢
Natural Gasoline		3¢ to

Brokers report their buying orders have been exceptionally light during the past week, but say they find practically no weak spots in the market. They are purchasing occasional odd cars of low octane motor gasoline today at 4½¢ f. o. b. Group 3, but say 4⅝¢ is considered the general resale quotation.

Below is a comparison of our finished gasoline stocks on hand as of June 1st. and June 7th:

	June 1st.	June 7th.
Tydol Ethyl	13,000	
Hitest Tydol	2,688,000	2,435,000
Bronze Leaded	245,000	161,000
60-62-437	736,000	570,000
Total	3,682,000	3,166,000
Kerosene	157,000	162,000
Distillate	742,000	734,000
Tractor Fuel	95,000	129,000
Stoddard Solvent	36,000	36,000
Fuel Oil	1,849,000	1,789,000

Our total finished gasoline stocks show a slight reduction since the first of the month, with most of the decrease reflected in Tydol, as shipments to date have been slightly ahead of our estimated schedule.

4993 We are showing below a comparison of our shipments with our estimated schedule for the period of June 1st. to June 6th inclusive:

	Schedule	Shipments	Percent
Tydol Ethyl	25,000	8,000	32.0
Hitest Tydol	1,200,000	1,372,000	114.3
Tidex	320,000	244,000	76.3
Magnolia Ethyl	5,000		
Magnolia Regular	255,000	310,000	121.6
Unbranded	180,000	148,000	82.2
Total	1,985,000	2,082,000	104.9
Kerosene	140,000	196,000	140.0
38-40 Distillate	40,000	8,000	20.0
Tractor Fuel	70,000	24,000	34.2
Fuel Oil		660,000	

Total gasoline shipments show approximately 105% of our schedule to date, with Tydol shipments well above our estimate. However, Tidex and Ethyl are considerably below our schedule. We are purchasing Tidex from outside refiners for shipment to our contract jobbers other than the W. H. Barber Company, which purchases have amounted to approximately 40,000 gallons to date this month. These purchases are being placed in North Texas at present to cooperate with the present purchasing program.

J. W. Warner

ROA—g

4994 **GOVERNMENT EXHIBIT NO. 260.**

Inter-Office Correspondence

Tide Water Oil Company
Tidal Pipe Line Company

Subject: Weekly Market Letter No. 25

To: Mr. J. D. Collins From: J. W. Warner

Date: June 22, 1935

There have been no new developments of an important nature in the Mid-Continent gasoline market this week. Although open market trading has continued somewhat below normal, tank car gasoline prices have remained steady. However, the slower demand for Kerosene and burning oils has caused a further decline in published quotations on these products.

The tank car gasoline price structure still appears to be firmly established, in spite of the handicap of slow spot buying on the part of the jobbing trade. Adverse weather conditions have continued to be one of the principal obstacles in market activities, as jobbers in many territories have experienced a noticeable decline in sales due to flooded roads and retarded farming operations. Jobbers have also been hesitant about placing orders except for their immediate requirements, in view of the slight chance the Federal tax might be discontinued at the end of the month.

Market observers in general agree that the cooperation on the part of refiners, large and small, has been an outstanding factor in maintaining the price structure. Reports indicate that the majority of refiners are still adhering to the allocated refinery operations in an effort to keep gasoline production in balance with demand. The major companies have continued taking the greater portion of the East Texas gasoline output and have also been active in relieving the small refiners in other districts of any surplus gasoline that might through necessity be forced on the open market as distress material.

The Kerosene and burning oil market has reflected considerable weakness, due to the unbalanced supply and demand. Slow movement on Texas Kerosene caused refiners in that district to lower their quotations, which resulted in a general decline in Group 3 prices. The decline in burning oil prices was not unexpected, as refiners naturally ex-

peet a slow movement until the jobbing trade starts buying material to place in storage for winter use.

Published quotations on the general list of refinery products for today are as follows:

U. S. Motor, Below 62 Octane	4¾¢	to 4⅞¢
" 63-70 Octane	5⅝¢	to 5¾¢
" 71 Octane and above	5¾¢	
4995 60/62-400, Below 62 Octane	4¾¢	to 4⅞¢
" 63-70 Octane	5⅝¢	to 5¾¢
" 71 Octane and above	5¾¢	
68/70-360	5¢	to 5⅛¢
42-44 Kerosene	4¢	to 4⅛¢
41-43 Kerosene	3¾¢	to 3⅞¢
38-40 P. W. Distillate	3¼¢	to 3½¢
38-40 L. S. Distillate	3⅛¢	to 3⅜¢
32-36 Zero Gas Oil	2⅞¢	to 3⅛¢
28-30 Zero Fuel Oil	2¾¢	to 2⅞¢
Natural Gasoline	3¢	

With the participants of the buying program keeping a watchful eye for distress gasoline, brokers report their low buying price today is 4⅝¢ for Low Octane Motor, with no refiners showing a tendency to lower their quotation.

We are showing below a comparison of our stocks on hand as of June 1st and 21st.

	June 1st	June 21st
Tydol Ethyl	13,000	100,000
Hi-Test Tydol	2,688,000	1,543,000
Bronze Leaded	245,000	207,000
60/62-437	736,000	641,000
	3,682,000	2,491,000
Kerosene	157,000	247,000
Distillate	742,000	650,000
Tractor Fuel	95,000	94,000
Stoddard Solvent	36,000	36,000
Fuel Oil	1,849,000	1,836,000

Total finished gasoline stocks show a decrease of approximately 1,200,000 gallons since June 1st, which reflects principally on Hi-Test Tydol, as other grades show but little change.

Below is a comparison of our estimated schedule and shipments for the period of June 1st to June 20th, inclusive.

	Schedule	Shipments	Percent
Tydol Ethyl	85,000	68,000	80.0
Hi-Test Tydol	4,080,000	4,350,000	106.6
Tidex	1,088,000	688,000	63.2
Magnolia Ethyl	17,000	10,000	58.8
4996 Magnolia Regular	867,000	999,000	115.2
Unbranded	612,000	578,000	94.4
	6,749,000	6,693,000	99.2
Kerosene	476,000	540,000	113.3
38-40 Distillate	136,000	104,000	76.5
Tractor Fuel	238,000	88,000	27.0
Fuel Oil		2,060,000	

Contract gasoline shipments have continued comparatively steady to date, considering weather conditions and the slow spot market. Although Tidex shipments are considerably below our estimated schedule the above will show that Tydol has been above our estimate to date this month. We purchased approximately 100,000 gallons of the above Tidex in order to help relieve the market of distress gasoline. We are also continuing to purchase East Texas gasoline for shipment to the Gulf and have purchased a total of 125 cars to date this month.

J. W. Warner.

ROA/JK

4997 GOVERNMENT EXHIBIT NO. 262.

Inter-Office Correspondence

Tide Water Oil Company

Tidal Pipe Line Company

Subject: Weekly Market Letter No. 29

To: Mr. J. D. Collins From: J. W. Warner

Date: July 20, 1935

Another week has passed with the Mid-Continent gasoline market showing practically no change insofar as tank car prices are concerned, although some increase in demand has been noted. Improved weather has resulted in gasoline

consumption showing some increase and traders in general report more activity in the market. However, it has not been sufficient to warrant any general advance in tank car quotations.

The East Texas situation, which is generally conceded to be the "hot spot" of the market, is reported as being fairly steady insofar as interstate tank car shipments are concerned. Major companies are still taking a goodly portion of the East Texas output to the Gulf Coast and to their marketing outlets. Information shows that the majority of the East Texas refiners who sell in tank car lots are members of the East Texas Marketing Association and are participating in the major company buying program. Therefore, they do not have any large quantities of gasoline to dispose of for northern shipment on the open market.

While it is generally known that considerable gasoline is being manufactured in East Texas from untended crude, the sale of this class of material is still confined to within the state. With all this gasoline to be absorbed locally in Texas, naturally their market has been demoralized. Service Station prices in some few of the principal marketing centers in the Indiana territory continue subnormal. However, there are no indications at present of a general break in the retail price structure, due to the steady tank car market, as the present jobber margin is practically at the established figure of 5½¢ between delivered cost and retail price.

Rumors have continued to circulate of a possible crude cut, in view of the over-supply. However, opinions of market observers seem to be divided along this line. Aside from any effect a change in crude prices would have on the tank car gasoline market, refiners in general appear optimistic that present prices can be maintained. These thoughts are expressed with the view that a gradual increase in gasoline consumption will absorb such additional quantities as might be produced in case refiners show any tendency toward increasing their crude runs to stills.

4998 The burning oil market reflects slight improvement this week, although no change in published quotations has been recorded. Much of the Kerosene that has been depressing prices has been disposed of and today quotations are reported to be on a much firmer basis. Buyers have been in the market this week for heating oils to store for winter use, and have picked up practically all the materials from refiners who were attempting to keep their production moving, which has relieved the market of practically all spot material. The majority of refiners who have

storage facilities do not appear interested in selling their burning oil at this season of the year when prices are naturally at a lower level than during the winter months.

Published quotations on the general list of refinery products for today are as follows:

U. S. Motor,	Below 62 Octane	4¾¢ to 4⅞¢
"	63-70 Octane	5⅝¢ to 5¾¢
"	71 Octane and above	5¾¢
60/62-400,	Below 62 Octane	4¾¢ to 4⅞¢
"	63-70 Octane	5⅝¢ to 5¾¢
"	71 Octane and above	5¾¢
68/70-360		5¢ to 5⅛¢
42-44 Kerosene		3⅜¢ to 3⅝¢
41-43 Kerosene		3¼¢ to 3⅜¢
38-40 P. W. Distillate		3¢ to 3⅛¢
38-40 L. S. Distillate		2⅞¢ to 3¢
32-36 Zero Gas Oil		2¾¢ to 2⅞¢
28-30 Zero Fuel Oil		2½¢ to 2⅝¢
Natural Gasoline		3⅛¢

No change has been recorded in the general resale quotation range to brokers, as the majority of refiners are still asking 4⅝¢ for their Low Octane Motor, with a few of them who have regular broker customers accepting 4½¢ on this grade from brokers who buy from them regularly. Below is a comparison of stocks on hand as of July 1st and 19th.

	July 1st	July 19th
Tydol Ethyl	76,000	37,000
Hi-Test Tydol	1,639,000	1,144,000
Bronze Leaded	302,000	406,000
60/62-437	715,000	138,000
	2,732,000	1,725,000
Kerosene	377,000	347,000
Distillate	608,000	548,000
4999 Tractor Fuel	31,000	70,000
Stoddard Solvent	30,000	27,000
Fuel Oil	1,978,000	1,498,000

Total gasoline stocks show some decline as compared to July 1st. However, this comparison represents only finished gasoline in tanks from which we make current shipments. Naturally these stocks fluctuate from time to time as unfinished stock is brought up to specification and placed

in storage. Other refinery stocks show but little change since the first of the month.

We are showing below a comparison of our estimated schedule with our shipments for the period of July 1st to July 18th, inclusive.

	Schedule	Shipments	Percent
Tydol Ethyl	75,000	38,000	50.7
Hi-Test Tydol	3,975,000	4,264,000	107.3
Tidex	720,000	899,000	124.9
Magnolia Ethyl	15,000		
Magnolia Regular	870,000	1,022,000	117.5
Unbranded	570,000	539,000	94.6
	6,225,000	6,762,000	108.6
Kerosene	465,000	544,000	117.0
38-40 Distillate	120,000	60,000	50.0
Tractor Fuel	150,000	368,000	245.3
Fuel Oil	2,910,000	2,935,000	100.9

With the market holding steady and the seasonal increase in demand, our contract gasoline shipments continue in excess of our estimate, with total shipments showing 108% of our schedule. Branded gasoline shipments to date equal 5,201,000 gallons, of which 1% is Ethyl, 82% Tydol, and Tidex now shows 17% of total, which is some increase over past months. We are still purchasing odd lots of Tidex in cases where some small refiner has a few surplus cars they cannot dispose of without lowering present quotations.

J. W. Warner.

ROA/JK

5000 GOVERNMENT EXHIBIT NO. 265.

Inter-Office Correspondence
Tide Water Oil Company
Tidal Pipe Line Company

Subject: Weekly Market Letter No. 33

To: Mr. J. D. Collins From: J. W. Warner

Date: Aug. 17, 1935

Mid-Continent refiners continue cheerful about present conditions of the gasoline market as they pass through the peak consuming season with tank car prices still firmly pegged at a level that has been maintained for many weeks. With the first half of August now past history and the present outlook still bright, refiners appear hopeful of experiencing a most satisfactory month from the standpoint of both volume and realization.

Market information gathered from the various refining centers indicates there is no forecast of anything of a demoralizing nature in the path of the present market trend. The demand for gasoline continues extremely good and predictions are being made that consumption figures for August will surpass the July total, which was a banner gasoline month, and it is predicted that final July figures might establish a high record for domestic consumption.

As the market situation stands today there seems to be no fear of a break in the tank car price structure, especially during the remainder of the season of peak demand. The majority of observers also seem to be of the opinion that based on the recent past action of refiners, they will not lose sight of the fact that close cooperation in controlling refinery output made the present market. Therefore, it is generally believed refiners will carry out the same program when consumption starts to decline and that supply and demand will be kept well in balance.

East Texas market conditions continue encouraging as compared to the past when there was always a fear it might be a market bomb. While it is generally conceded that some illegally produced crude still exists, and is being processed into gasoline, nevertheless, there are no reports of it moving on interstate shipments, but instead it must be absorbed within the state which naturally keeps the state market somewhat disturbed.

With seasonal consumption reflecting an increased refinery demand, Kerosene prices are showing a gradual tendency to strengthen, as refiners' stocks are reported at a fairly low level. Distillate and Zero grades of Gas Oil are also being held to a firm quotation in view of anticipated higher prices later in the year as the consuming season on these products begins.

Published quotations on the general list of refinery products for today are as follows:

5001 U. S. Motor,	Below 62 Octane	4¾¢ to 4⅞¢
"	63-70 Octane	5⅝¢ to 5¾¢
"	71 Octane and above	5¾¢
60/62-400,	Below 62 Octane	4¾¢ to 4⅞¢
"	63-70 Octane	5⅝¢ to 5¾¢
"	71 Octane and above	5¾¢
68/70-360		5¢ to 5⅛¢
42-44 Kerosene		3½¢ to 3¾¢
41-43 Kerosene		3⅜¢ to 3⅝¢
38-40 P. W. Distillate		3⅛¢ to 3¼¢
38-40 L. S. Distillate		3¢ to 3⅛¢
32-36 Zero Gas Oil		2⅞¢ to 3¢
28-30 Zero Fuel Oil		2½¢ to 2⅝¢
Natural Gasoline		3½¢

Brokers report business is fairly good and prices steady. Their resale prices on Low Octane Motor remain at 4⅝¢ as practically all refiners seem to be receiving a steady movement on their output and are showing no tendency to lower their price.

Below is a comparison of our stocks on hand as of August 1st and 16th.

	August 1st	August 16th
Tydol Ethyl	172,000	124,000
Hi-Test Tydol	1,034,000	851,000
Bronze Leaded	113,000	358,000
60/62-437	301,000	104,000
	1,620,000	1,437,000
Kerosene	423,000	405,000
Distillate	528,000	734,000
Tractor Fuel	75,000	145,000
Stoddard Solvent	27,000	27,000
Fuel Oil	1,693,000	1,820,000

Due to the steady movement on gasoline, total finished gasoline stock is being kept at a low level, and shows a slight decrease since August 1st.

We are showing below a comparison of our shipments with our estimated schedule for the period of August 1st to 15th, inclusive.

5002	Schedule	Shipments	Percent
Tydol Ethyl	39,000	56,000	143.8
Hi-Test Tydol	3,367,000	3,420,000	101.6
Tidex	676,000	744,000	110.
Magnolia Ethyl	13,000		
Magnolia Regular	728,000	1,053,000	144.6
Magnolia Third Grade	221,000	198,000	89.6
Unbranded	247,000	184,000	74.5
	5,291,000	5,655,000	106.9
Kerosene	390,000	372,000	95.4
Distillate	143,000	240,000	167.8
Tractor Fuel	156,000	216,000	138.5
Fuel Oil	2,106,000	2,420,000	114.9

Total shipments for the first half of the month show well above our estimated schedule and our schedule was set at a figure comparable to our actual July shipments. Branded gasoline shipments to date equal 4,220,000 gallons, consisting of 1% Ethyl, 81% Tydol, and 18% Tidex. The other list of refinery products also shows shipments are well in line with our estimates.

J. W. Warner.

ROA/JK

5003 GOVERNMENT EXHIBIT NO. 267.

Inter-Office Correspondence

Tide Water Oil Company

Tidal Pipe Line Company

Subject: Weekly Market Letter No. 35

To: Mr. J. D. Collins From: J. W. Warner

Date: Aug. 31, 1935

The gasoline market in the Mid-Continent territory has remained practically unchanged throughout the week as far as actual conditions are concerned, with the exception of a slight disturbance in the low price range of gasoline.

A few brokers have been offering Low Octane Gasoline, reported to be off specification material, the last few days, at ⅛¢ to ¼¢ below the general quoted price for Low Octane material. The price disturbance however, has not become general enough to reflect in published quotations.

The California crude price cut this week is causing considerable comment as to the effect it will have on the Mid-Continent market. Observers in general do not expect any immediate repercussion. However, on the other hand, if the situation on the West Coast is not ironed out in a short length of time, gasoline from that region will likely disturb the Gulf Coast market and in turn cause gasoline prices to decline in this territory. Major companies have continued this week their buying program in East Texas and other districts where it has been necessary to relieve stocks at small refineries. Large quantities were purchased in East Texas for Gulf Coast and intrastate movement, while odd car lots absorbed in Oklahoma have been consigned to northern points.

Movement of gasoline in the open market has been disappointing to some suppliers, as a heavy pre-holiday demand was expected from jobbers this week. Contract jobbers have been placing orders only moderately as no sharp pick-up in shipments has been reported in view of the anticipated heavy consumption during Labor Day.

Demand for Kerosene has slackened some. Other grades of burning oils are in slightly better demand the last few days, due to relatively low temperatures in some of the northern states.

Published quotations on the general list of refinery products for today are as follows:

	U. S. Motor, Below 62 Octane	4¾¢ to 4⅞¢
	U. S. Motor, 63-70 Octane	5⅝¢ to 5¾¢
	U. S. Motor, 71 Octane and above	5¾¢
5004	60/62-400, Below 62 Octane	4¾¢ to 4⅞¢
	60/62-400, 63-70 Octane	5⅝¢ to 5¾¢
	60/62-400, 71 Octane and above	5¾¢
	68/70-360	5¢ to 5⅛¢
	42-44 Kerosene	3⅝¢ to 3¾¢
	41-43 Kerosene	3⅜¢ to 3½¢
	38-40 P. W. Distillate	3⅛¢ to 3¼¢
	38-40 L. S. Distillate	3¢ to 3⅛¢
	32-36 Zero Gas Oil	2⅞¢ to 3⅛¢
	28-30 Zero Fuel Oil	2½¢ to 2¾¢
	Natural Gasoline	4⅛¢

Marketers and brokers report their buying price at 4½¢ to 4⅝¢ on the Low Octane Motor Gasoline. Natural gasoline prices have been advanced ⅜¢ this week, due to the increased demand from Group 3 refiners.

We are showing below a comparison of our gasoline stocks on hand as of August 1st and 30th.

	August 1st	August 30th
Tydol Ethyl	172,000	85,000
Hi-Test Tydol	1,034,000	724,000
Bronze Leaded	113,000	304,000
60/62-437	301,000	406,000
	1,620,000	1,519,000
Kerosene	423,000	550,000
Distillate	528,000	888,000
Tractor Fuel	75,000	224,000
Stoddard Solvent	27,000	27,000
Fuel Oil	1,693,000	1,682,000

Although our total finished gasoline stocks today are practically unchanged from August 1st as you will notice from the above comparison, Hi-Test Tydol stock is approximately 300,000 gallons lower, with Bronze Leaded and Motor Gasoline stocks slightly higher.

Below is a comparison of our estimated schedule with our shipments for the period of August 1st to 29th, inclusive.

5005	Schedule	Shipments	Percent
Tydol Ethyl	75,000	76,000	101.
Tydol	6,475,000	6,758,000	104.
Tidex	1,300,000	1,336,000	103.
Magnolia Ethyl	25,000	20,000	80.
Magnolia Regular	1,400,000	1,933,000	138.
Magnolia Third Grade	425,000	389,000	91.5
Unbranded	475,000	520,000	109.
	10,175,000	11,032,000	108.
Kerosene	750,000	724,000	96.5
Distillate	275,000	398,000	145.
Tractor Fuel	300,000	392,000	131.
Fuel Oil	4,050,000	4,880,000	120.5

The percentage of total gasoline shipments is 108% to date this month. All grades of gasoline have exceeded our estimated schedule, with the exception of Magnolia Petroleum grades. Kerosene shipments equal 96.5% of schedule, while other bruning oil shipments are above our estimate.

J. W. Warner

JFB/JK

5006 **GOVERNMENT EXHIBIT NO. 268.**

Inter-Office Correspondence

Tide Water Oil Company
Tidal Pipe Line Company

Subject: Weekly Market Letter No. 37

To: Mr. J. D. Collins From: J. W. Warner

Date: Sept. 14, 1935

Mid-Continent refiners have experienced another week with no new developments in the way of any change in the general range of tank car gasoline prices. While the market tone is described as somewhat softer due to various influencing factors, nevertheless, refiners, through their combined efforts, have prevented any downward trend in the published gasoline quotation list.

Open market trading has slowed up to some degree, which was not entirely unexpected, as refiners naturally anticipated some let-up in buying after the peak Labor Day period. The less interested attitude of spot buyers as usual resulted in occasional lots of gasoline being offered at below the going prices. This naturally left some of the small refiners without a ready outlet, but the quantity involved was not large and with the major companies still active as purchasers, the surplus was sufficiently absorbed to prevent any break in the market for the present.

Group 3 refiners as a whole apparently are still optimistic about the immediate future market, but it is generally conceded that various existing conditions might develop into disturbing market factors. Some of the fear of the California situation has passed over in the belief that it will be straightened up in the near future or at least before it affects conditions in the Mid-Continent area.

The subject of reduced refinery operations in the Mid-Continent in line with the seasonal reduction in gasoline consumption, is also a matter of discussion. However, confidence is being expressed that the majority of refiners will cooperate in voluntarily reducing their gasoline output to maintain a balanced market. This week's reduction in Chicago service station prices has also caused some comment, but many observers seem to be of the opinion the cut price will be confined to that area only and will not spread generally to other marketing territories.

Surplus Kerosene in Texas districts has resulted in a slightly weaker market. Those refiners, in an effort to obtain northern business, have shaded the general quotation range. However, the volume of cheaper material has not affected published prices to date. The light grades of heating oil continue steady in price, as refiners are holding firm on their quotations in view of the approach of cooler weather and an increased demand.

5007 Published quotations on general list of refinery products for today are as follows:

U. S. Motor, Below 62 Octane	4¾¢ to 4⅛¢
U. S. Motor, 63-70 Octane	5⅝¢ to 5¾¢
U. S. Motor, 71 Octane and above	5¾¢
60/62-400, Below 62 Octane	4¾¢ to 4⅞¢
60/62-400, 63-70 Octane	5⅝¢ to 5¾¢
60/62-400, 71 Octane and above	5¾¢
68/70-360	5¢ to 5⅛¢
42-44 Kerosene	3⅝¢ to 3¾¢
41-43 Kerosene	3⅜¢ to 3½¢
38-40 P. W. Distillate	3⅛¢ to 3¼¢
38-40 L. S. Distillate	3¢ to 3⅛¢
32-36 Zero Gas Oil	3¢ to 3⅛¢
28-30 Zero Fuel Oil	2½¢ to 2¾¢
Natural Gasoline	4⅛¢

Some weakness has been apparent in the resale gasoline market this week as occasional sales of Low Octane Motor have been made to brokers at 4⅜¢. However, 4½¢ to 4⅝¢ is still considered the general resale price.

We are showing below a comparison of our gasoline stocks on hand as of September 1st and September 13th.

	September 1st	September 13th
Tydol Ethyl	56,000	42,000
Hi-Test Tydol	843,000	736,000
Bronze Leaded	219,000	378,000
60/62-437	454,000	463,000
	1,572,000	1,619,000
Kerosene	476,000	448,000
Distillate	960,000	920,000
Tractor Fuel	38,000	31,000
Stoddard Solvent	27,000	27,000
Fuel Oil	1,979,000	1,850,000

Total gasoline stocks reflect practically no change so far during September as shipments continue well in line with current production.

Below is a comparison of our shipments with our estimated schedule for the period of September 1st to 12th, inclusive.

5008	Schedule	Shipments	Percent
Tydol Ethyl	36,000	56,000	155.6
Hi-Test Tydol	2,439,000	2,649,000	108.2
Tidex	414,000	560,000	135.3
Magnolia Ethyl	9,000	3,000	33.3
Magnolia Regular	603,000	750,000	124.4
Magnolia Third Grade	144,000	140,000	97.2
Unbranded	225,000	80,000	35.6
	3,870,000	4,229,000	109.3
Kerosene	270,000	410,000	151.9
Distillate	297,000	302,000	101.7
Tractor Fuel	108,000	200,000	185.2
Fuel Oil	—	1,950,000	

The movement on contract gasoline has been at a very satisfactory pace so far this month, as total shipments have exceeded our estimated schedule to date. Final invoice figures on August gasoline shipments show a banner month, as total gasoline shipped exceeded our July figure.

J. W. Warner

ROA/JK

5009 GOVERNMENT EXHIBIT NO. 269.

Inter-Office Correspondence

Tide Water Oil Company
Tidal Pipe Line Company

Subject: Weekly Market Letter No. 38

To: Mr. J. D. Collins From: J. W. Warner

Date: September 21, 1935.

The tank car gasoline market was weakened early in this week in the central region by a surplus of gasoline offerings on the open market, causing a decline of 1/8 cent on the low octane motor grade in published quotations. Prices, however, were restored later in the week, due to quick inter-refinery buying support.

The dull spot market demand for gasoline for the past several days caused some refiners who depend on the open market for a source of outlet to lower their prices in order to move their current gasoline production. A large portion of the excess gasoline which disturbed prices was a very low octane material, which was slow in moving compared to other third grade gasoline, so to procure quick movement price cutting was employed.

Reports indicate that several refiners who have been curtailing crude runs are now short of gasoline, due to the fact that their contract shipments are continuing heavy. They have entered the open market the last three days and have absorbed virtually all distress material, which has eliminated the distress refinery quotations.

Observers in general view the gasoline market today in all districts in the middle west as comparatively firm and see no reason for a drastic reduction in price over the next few months. Refiners are apparently cooperating in reducing gasoline production in line with the normal decline in demand. East Texas gasoline at present is not considered a disturbing factor on the open market due to the fact that almost all gasoline shipped to inter-state points from that district is being consigned to major companies for their contract outlets or for their own company stations.

Retail gasoline disturbances in the Chicago area reported in our letter of last week still exist. However, since tank car gasoline prices are now showing an improvement, marketers are hopeful of a more settled service station market in the near future.

Kerosene has shown improvement in demand this week, although prices are unchanged. Other grades of burning oils, including 38-40 distillate and the better grades of zero gas oils are in good demand for this season of the year.

5010 Published quotations on the general list of refinery products for today are as follows:

U. S. Motor, Below 62 Octane	4¾¢ to 4⅞¢
U. S. Motor, 63-70 Octane	5⅝¢ to 5¾¢
U. S. Motor, 71 Octane and above	5¾¢
60/62-400, Below 62 Octane	4¾¢ to 4⅞¢
60/62-400, 63-70 Octane	5⅝¢ to 5¾¢
60/62-400, 71 Octane and above	5¾¢
68/70-360	5¢ to 5⅛¢
42-44 Kerosene	3⅝¢ to 3¾¢
41-43 Kerosene	3⅜¢ to 3½¢
38-40 P. W. Distillate	3⅛¢ to 3¼¢
38-40 L. S. Distillate	3¢ to 3⅛¢
32-36 Zero Gas Oil	3¢ to 3⅛¢
28-30 Zero Fuel Oil	2⅝¢ to 2¾¢
Natural Gasoline	4⅛¢

Marketers and brokers report their buying price on low octane motor gasoline today at 4⅝¢ with odd cars available at 4½¢. Natural gasoline prices are unchanged.

We are showing below a comparison of our gasoline stocks on hand as of September 1st and September 20th:

	September 1st	September 20th
Tydol Ethyl	56,000	64,000
Hi-Test Tydol	843,000	530,000
Bronze Leaded	219,000	102,000
60/62-437	454,000	463,000
	1,572,000	1,159,000
Kerosene	476,000	368,000
Distillate	960,000	976,000
Tractor Fuel	38,000	48,000
Stoddard Solvent	27,000	27,000
Fuel Oil	1,979,000	1,857,000

The above figures reflect a decline in total finished gasoline stocks of approximately 400,000 gallons.

Below is a comparison of our shipments with the estimated schedule for the period of September 1st to 18th, inclusive.

5011	Schedule	Shipments	Percent
Tydol Ethyl	56,000	68,000	121.4
Hi-Test Tydol	3,794,000	3,924,000	103.4
Tidex	644,000	816,000	126.7
Magnolia Ethyl	14,000	3,000	21.4
Magnolia Regular	938,000	1,130,000	120.5
Magnolia Third Grade	224,000	184,000	82.1
Unbranded	350,000	208,000	59.4
	6,020,000	6,333,000	105.2
Kerosene	420,000	588,000	140.
Distillate	462,000	482,000	104.3
Tractor Fuel	168,000	252,000	150.
Fuel Oil	—	2,700,000	

The total movement of gasoline is 105 per cent of our estimated schedule. All three grades of our branded gasoline are well over schedule. However, gallonage so far this month is below the same period for last month by 400,000 gallons. Branded gasoline shipments to date equal 4,808,000 gallons, consisting of 1% Ethyl, 82% Tydol and 17% Tidex.

J. W. Warner

JFB/OS

5012 GOVERNMENT EXHIBIT NO. 270.

Inter-Office Correspondence

Tide Water Oil Company
Tidal Pipe Line Company

Subject: Weekly Market Letter No. 39.

To: Mr. J. D. Collins From: J. W. Warner

Date: September 28, 1935.

The refined gasoline market structure over this week has been held comparatively well, considering the natural decline in gasoline consumption marketers are now experiencing, although, in spite of the apparent firmness, students of the market are reluctant to predict very optimistically at this time.

Some refiners have had difficulty in locating a market the last few days for odd carlots of the low octane motor gasoline. However, they have not offered to cut prices to obtain instructions. Toward the latter part of the week inter-refinery purchasers have been able to absorb the larger portion of the semi-distress material. The most urgent need for gasoline orders this week has been for material originating in North Texas and some districts in Oklahoma.

Market observers are stressing the necessity of further reductions in refinery crude runs if the prevailing stable market is expected to continue. It is felt the percentage of decrease in consumption in low octane gasoline over the next few months will handicap inter-refinery buying to a degree that it will be a difficult problem to absorb surplus open market material unless production is reduced. Some refiners not having contract outlets for their gasoline have voluntarily promised to cut back runs in line with others who have already made reductions.

Recent report show that major companies are still active buyers in the East Texas district. They are taking practically all gasoline offered in that area which can be shipped inter-state for coastwise movement or for their stations where freight rates are not excessive.

Retail markets in some sections of the Central Region are shaky. Local price reductions have shown up at a few new points this week. However, no general cut is anticipated. Keen competition in the allowance of excessive discounts is blamed for local retail disturbances.

Tank car lot brokers have reported only a fair demand for gasoline this week. Contract shipments have continued to move comparatively well.

5013 Kerosene demand and price have continued unchanged for the last few weeks. Demand for other burning oils has been fair. Marketers, however, expect to see an increase, both in price and demand, within the near future.

Published quotations on the general list of refinery products for today are as follows:

U. S. Motor, Below 62 Octane	4¾¢ to 4⅞¢
U. S. Motor, 63-70 Octane	5⅝¢ to 5¾¢
U. S. Motor, 71 Octane and above	5¾¢
60/62-400, Below 62 Octane	4¾¢ to 4⅞¢
60/62-400, 63-70 Octane	5⅝¢ to 5¾¢
60/62-400, 71 Octane and above	5¾¢
68/70-360	5¢ to 5⅛¢
42-44 Kerosene	3⅝¢ to 3¾¢
41-43 Kerosene	3⅜¢ to 3½¢
38-40 P. W. Distillate	3⅛¢ to 3¼¢
38-40 L. S. Distillate	3¢ to 3⅛¢
32-36 Zero Gas Oil	3¢ to 3⅛¢
28-30 Zero Fuel Oil	2⅝¢ to 2¾¢
Natural Gasoline	4⅛¢

Marketers and brokers report their buying price on the low octane motor today at 4½¢ to 4⅝¢. Natural gasoline prices are unchanged.

We are showing below a comparison of our gasoline stocks on hand as of September 1st and September 27th:

	September 1st	September 27th
Tydol Ethyl	56,000	60,000
Hi-Test Tydol	843,000	620,000
Bronze Leaded	219,000	80,000
60/62-437	454,000	390,000
	1,572,000	1,150,000
Kerosene	476,000	380,000
Distillate	960,000	1,010,000
Tractor Fuel	38,000	36,000
Stoddard Solvent	27,000	27,000
Fuel Oil	1,979,000	1,895,000

Total finished gasoline stocks are practically unchanged from figures shown for September 20th.

Below is a comparison of our shipments with the estimated schedule for the period of September 1st to September 26th, inclusive:

5014	Schedule	Shipments	Percent
Tydol Ethyl	88,000	100,000	113.6
Hi-Test Tydol	5,962,000	5,926,000	99.4
Tidex	1,012,000	1,150,000	113.6
Magnolia Ethyl	22,000	9,000	40.9
Magnolia Regular	1,474,000	1,791,000	121.5
Magnolia Third Grade	352,000	364,000	103.4
Unbranded	550,000	408,000	74.2
	9,460,000	9,748,000	103.0
Kerosene	660,000	808,000	122.4
Distillate	726,000	556,000	76.6
Tractor Fuel	264,000	348,000	131.8
Fuel Oil	—	3,890,000	—

The total movement of gasoline is 103% of schedule, which is 2.2% less than figures shown on our last report. Burning oil shipments have shown an increase over last week.

J. W. Warner

JFB/OS

5015 **GOVERNMENT EXHIBIT NO. 271.**

Inter-Office Correspondence

Tide Water Oil Company
Tidal Pipe Line Company

Subject: Weekly Market Letter No. 40.

To: Mr. J. D. Collins **From: J. W. Warner**

Date: October 5, 1935

Tank car gasoline market prices in the central region have continued unchanged this week. Many refiners are optimistic over the future outlook, while others are slow to wager their opinion, due to the unsettled West Coast situation. Observers in general, however, feel that the Mid-Continent area is entering the last quarter of the year in excellent condition, in comparison to other recent years.

The majority of refiners in all districts are reported to be operating along conservative lines in an attempt to balance production with market demand. Gasoline consumption has been held up very well the last few weeks, which has also greatly assisted in promoting a firm market.

The most outstanding feature in support of the percent market is inter-refinery buying. Major companies have continued active purchasers in East Texas and reports from that district show that only small lots of gasoline have been available for shipment the past few days. Most refiners by Wednesday were reported sold up for the remainder of the week. In Oklahoma Group 3 market the low octane grade gasoline has been readily available in small lots, but not at distress prices.

Movement of gasoline on the open market has been dull this week. Marketers seemingly are not interested in buying material on a speculative basis at this time, as they are apparently placing orders only for current sales. Contract gasoline orders are reported on the decline by most refiners, although shipments are considered to be moving well for this season.

Service station prices in several localities are still subnormal. The majority of disturbances are in the Chicago area, and this condition appears to be fairly well confined to this district and other key points in Illinois.

Reports regarding kerosene tank car sales are conflicting, as some brokers state orders are hard to obtain at reduced prices, while other marketers say they are experiencing a good business at unchanged prices. Meanwhile, distillate and other burning oils are in fair demand.

5016 Published quotations on the general list of refinery products for today are as follows:

U. S. Motor, Below 62 Octane	4¾¢ to 4⅞¢
U. S. Motor, 63-70 Octane	5⅝¢ to 5¾¢
U. S. Motor, 71 Octane and above	5¾¢
60/62-400, Below 62 Octane	4¾¢ to 4⅞¢
60/62-400, 63-70 Octane	5⅝¢ to 5¾¢
60/62-400, 71 Octane and above	5¾¢
68/70-360	5¢ to 5⅛¢
42-44 Kerosene	3⅝¢ to 3¾¢
41-43 Kerosene	3⅜¢ to 3½¢
38-40 P. W. Distillate	3⅛¢ to 3¼¢
38-40 L. S. Distillate	3¢ to 3⅛¢
32-36 Zero Gas Oil	3¢ to 3⅛¢
28-30 Zero Fuel Oil	2⅝¢ to 2⅞¢
Natural Gasoline	4⅛¢

Marketers and brokers report their buying price for the low octane motor grade today at 4½¢ to 4⅝¢. Natural gasoline prices are unchanged.

We are showing below a comparison of our gasoline stocks on hand as of September 1st and October 1st:

	September 1st	October 1st
Tydol Ethyl	56,000	152,000
Hi-Test Tydol	843,000	933,000
Bronze Leaded	219,000	205,000
60/62-437	454,000	692,000
Total	1,572,000	1,982,000
Kerosene	476,000	424,000
Distillate	960,000	1,203,000
Tractor Fuel	38,000	74,000
Stoddard Solvent	27,000	24,000
Fuel Oil	1,979,000	1,893,000

Total finished gasoline stocks for the first of this month are approximately 400,000 gallons over September 1st figures.

Below is a comparison of our shipments with the estimated schedule for the month of September:

5017	Schedule	Shipments	Percent
Tydol Ethyl	96,000	92,000	95.8
Hi-Test Tydol	6,504,000	6,387,000	98.2
Tidex	1,104,000	1,160,000	105.0
Magnolia Ethyl	24,000	14,000	58.3
Magnolia Regular	1,608,000	1,899,000	118.1
Magnolia Third Grade	384,000	414,000	107.8
Unbranded	600,000	466,000	77.7
	10,320,000	10,432,000	101.1
Kerosene	720,000	848,000	117.8
Distillate	288,000	599,000	208.0
Tractor Fuel	792,000	372,000	47.0
Fuel Oil	—	3,735,000	—

Our total percentage of gasoline shipments for the month of September equals 101%. Ethyl and Tydol shipments are slightly below schedule, while Tidex shipments have exceeded the schedule by 5%. The total branded gasoline shipments equal 7,639,000 gallons, of which 1.2% is Ethyl, 83.6% is Tydol and 15.2% is Tidex.

J. W. Warner.

JFB/OS

5018 **GOVERNMENT EXHIBIT NO. 272.**

Inter-Office Correspondence

Tide Water Oil Company
Tidal Pipe Line Company

Subject: Weekly Market Letter No. 41.

To: Mr. J. D. Collins From: J. W. Warner

Date: October 12, 1935.

Refiners have been exhibiting the last few days a more optimistic spirit with regard to gasoline markets in general. Many feel that there is a good chance for established tank car prices to continue for the remainder of the year.

Reports from East Texas show improvement in that district this week. Virtually all legal tender material available for shipment had been taken off the open market by the end of the week. In addition to the regular amount of gasoline shipped from East Texas there were 150 to 200 cars of gasoline purchased for shipment this week and next, presumably for movement to the Gulf Coast. These additional orders, plus the regular weekly purchases from the East Texas group, will entirely absorb all the material available through the end of the coming week.

All refiners are apparently guarding against any possibility of demoralizing the tank car market by offering surplus gasoline. Many manufacturers have cut back on their crude runs to a point which has necessitated their purchasing material on the outside at various times in order to insure prompt shipment of contract orders. This inter-refinery buying is considered by reliable observers to be one of the chief supporting factors of published prices.

Open market trading on the part of jobbers has been comparatively slack the last few days. However, the market has not been greatly hampered by this condition, as refiners have not been forcing sales. The larger portion of the material shipped recently from refineries in East Texas has been moving to southern points. While a few excess cars of low octane motor gasoline disturbed the Oklahoma market temporarily the first part of the week, they were absorbed before any serious consequences resulted.

No new developments are reported in the tank wagon and service station gasoline markets in the Standard of Indiana territory. Although there are several points still subnormal, the local price cuts do not seem to be spreading.

The kerosene market is apparently unchanged from last week. There has been no large demand for any of the burning oils so far this season.

5019 Published quotations on the general list of refinery products for today are as follows:

U. S. Motor, Below 62 Octane	4¾¢ to 4⅞¢
U. S. Motor, 63-70 Octane	5⅝¢ to 5¾¢
U. S. Motor, 71 Octane and above	5¾¢
60/62-400, Below 62 Octane	4¾¢ to 4⅞¢
60/62-400, 63-70 Octane	5⅝¢ to 5¾¢
60/62-400, 71 Octane and above	5¾¢
68/70-360	5¢ to 5⅛¢
42-44 Kerosene	3⅝¢ to 3¾¢
41-43 Kerosene	3⅜¢ to 3⅝¢
38-40 P. W. Distillate	3⅛¢ to 3¼¢
38-40 L. S. Distillate	3¢ to 3⅛¢
32-36 Zero Gas Oil	3¢ to 3⅛¢
28-30 Zero Fuel Oil	2⅝¢ to 2⅞¢
Natural Gasoline	4⅛¢

Marketers and brokers report their buying price for the low octane motor grade today at 4½¢ to 4⅝¢. Natural gasoline prices are unchanged.

We are showing below a comparison of our gasoline stocks on hand as of October 1st and October 11th:

	October 1st	October 11th
Tydol Ethyl	152,000	112,000
Hi-Test Tydol	933,000	721,000
Bronze Leaded	205,000	288,000
60/62-437	692,000	536,000
Total	1,982,000	1,657,000
Kerosene	424,000	122,000
Distillate	1,203,000	1,025,000
Tractor Fuel	74,000	11,000
Stoddard Solvent	24,000	24,000
Fuel Oil	1,893,000	2,897,000

Total finished gasoline stocks at present are approximately 300,000 gallons below October 1st figures.

Below is a comparison of our shipments with the estimated schedule for the period October 1st to October 10th, inclusive:

5020	Schedule	Shipments	Percent
Tydol Ethyl	36,000	52,000	144.4
Hi-Test Tydol	2,007,000	2,264,000	112.8
Tidex	315,000	368,000	116.8
Magnolia Ethyl	9,000	8,000	88.9
Magnolia Regular	495,000	585,000	118.2
Magnolia Third Grade	126,000	60,000	47.6
Unbranded	189,000	88,000	46.6
	3,177,000	3,425,000	107.8
Kerosene	270,000	264,000	97.8
Distillate	315,000	248,000	78.7
Tractor Fuel	36,000	120,000	333.3
Fuel Oil	—	910,000	—

Gasoline shipments are moving at a satisfactory rate so far this month, as total shipments have exceeded the schedule by 7%.

J. W. Warner.

JFB/OS

5021 GOVERNMENT EXHIBIT NO. 273.

Inter-Office Correspondence
Tide Water Oil Company
Tidal Pipe Line Company

Subject: Weekly Market Letter No. 42

To: Mr. J. D. Collins From: J. W. Warner

Date: October 19, 1935.

The gasoline market this week has reflected a gratifying aspect. Considerable improvement has been noticeable and many observers describe today's Mid-Continent market as appearing stronger than it has for some time, despite the seasonal decline in consumption.

Suppliers of gasoline throughout the refining districts realize the necessity of keeping gasoline production at conservative levels. Some of the large plants have cut back to such an extent that it has been necessary for them to purchase from small refiners having no other outlet for their material except on the open market. This inter-refinery buying is considered to be the factor which has so well regulated the balancing of supply and demand for the last few months in the central region.

At the close of last week all available supplies of gasoline in East Texas had been purchased for delivery within a period of one week, presumably for shipment to the Gulf Coast. The quantity was reported to have been several hundred cars. Refiners in the East Texas district, therefore, have been virtually out of the spot market this week. Several marketers and brokers who normally purchase their requirements in this territory were forced to seek other sources of supply.

Oklahoma and North Texas refiners are reporting additional business this week, due to the tight market in East Texas. This increase in demand has permitted many suppliers to advance their prices ⅛¢ per gallon on low octane motor gasoline, which market had previously remained practically unchanged for some time, due to the curtailment of crude runs by Oklahoma refiners. Manufacturers as a whole do not appear over-anxious to advance prices, believing that if the established price can be maintained for the remainder of the year the job will be well done.

Service station prices in several localities are still subnormal. This condition prevails principally in the Chicago

area, where much of the cheap tank car gasoline is shipped at various times. However, due to the present firm tank car prices, many feel that service station prices should show improvement in the near future.

Kerosene demand this week has been fair. Orders for other grades of burning and heating oils have been light, due to the generally mild weather.

5022 Published quotations on the general list of refinery products for today are as follows:

U. S. Motor, Below 62 Octane	4¾¢ to 4⅞¢
U. S. Motor, 63-70 Octane	5⅝¢ to 5¾¢
U. S. Motor, 71 Octane and above	5¾¢
60/62-400, Below 62 Octane	4¾¢ to 4⅞¢
60/62-400, 63-70 Octane	5⅝¢ to 5¾¢
60/62-400, 71 Octane and above	5¾¢
68/70-360	5¢ to 5⅛¢
42-44 Kerosene	3⅝¢ to 3¾¢
41-43 Kerosene	3⅜¢ to 3⅝¢
38-40 P. W. Distillate	3⅛¢ to 3¼¢
38-40 L. S. Distillate	3¢ to 3⅛¢
32-36 Zero Gas Oil	3¢ to 3⅛¢
28-30 Zero Fuel Oil	2⅝¢ to 2⅞¢
Natural Gasoline	4¢ to 4⅛¢

Marketers and brokers report their buying price for the low octane motor grade today at 4⅝¢ to 4¾¢. Natural gasoline prices have declined ⅛¢.

We are showing below a comparison of our gasoline stocks on hand as of October 1st and October 18th.

	October 1st	October 18th
Tydol-Ethyl	152,000	96,000
Hi-Test Tydol	933,000	845,000
Bronze Leaded	205,000	372,000
60/62-437	692,000	692,000
Tydol-Aero	—	23,000
	1,982,000	2,028,000
Kerosene	424,000	257,000
Distillate	1,203,000	931,000
Tractor Fuel	74,000	20,000
Stoddard Solvent	24,000	24,000
Gas Oil	—	34,000
Fuel Oil	1,893,000	3,333,000

There is practically no change in the total finished gasoline stocks now, as compared to October 1st.

Below is a comparison of our shipments with the estimated schedule for the period October 1st to October 17th, inclusive:

5023	Schedule	Shipments	Percent
Tydol	60,000	64,000	106.7
Hi-Test Tydol	3,345,000	3,948,000	118.0
Tidex	525,000	556,000	105.9
Magnolia Ethyl	15,000	8,000	53.3
Magnolia Regular	825,000	990,000	120.0
Magnolia Third Grade	210,000	140,000	66.7
Unbranded	315,000	260,000	82.5
	5,295,000	5,966,000	112.7
Kerosene	450,000	444,000	98.7
Distillate	525,000	364,000	69.3
Tractor Fuel	60,000	180,000	300.0
Gas Oil	—	8,000	—
Fuel Oil	—	1,770,000	—

Total percentage of gasoline shipments to schedule so far this month is 112.7%. All branded gasolines are well over schedule. The total of branded shipments is 4,568,000 gallons, of which 1.4% is Ethyl, 86.4% is Tydol and 12.2% is Tidex.

J. W. Warner

JFB/OS

5024 GOVERNMENT EXHIBIT NO. 274.

Inter-Office Correspondence

Tide Water Oil Company
Tidal Pipe Line Company

Subject: Weekly Market Letter No. 43

To: Mr. J. D. Collins From: J. W. Warner

Date: October 26, 1935.

Mid-Continent refiners continue in a cheerful mood as the tank car gasoline market picture still casts a bright reflection. With the passing of the week the available supply

of open market gasoline has been such that resale prices to brokers have shown an advancing tendency, but not to the extent of causing any increase in the general range of published tank car quotations. The firmness in the market has been brought about principally by the naturally stabilizing factor of a balanced position in supply and demand. Although open market trading has been comparatively quiet, contract gasoline movement has been holding up especially well, considering the season of the year. Reports from all refining districts indicate refiners' stocks are comparatively low, which places them in a favorable position to remain firm on their quotations.

Present conditions of the market and the apparent scarcity of open market gasoline indicates that refiners are following a policy of keeping crude runs down to a level where no burdensome gasoline stocks will accumulate. Among other encouraging factors is the East Texas situation, as gasoline stocks in that district are reported unusually low as compared to their normal position.

Information from East Texas indicates that inquiries for export gasoline have circulated and it is known that some of the major companies have increased their purchases on gasoline moving to the Gulf Coast, of which some has possibly moved on export orders. The net result is that East Texas has been moving practically no gasoline north, as brokers say they have been unable to find material in that district, and consequently have been placing their orders in North Texas and Oklahoma.

Due to the strengthening position of the market some observers have felt the general tank car quotation range on gasoline would advance. However, others predict the price will not move upward for the reason that it might encourage an increase in refinery operations, which would break down the present balanced position of the market structure. Furthermore, it is pointed out that an advance in tank car prices is not justified, based on present service station prices in most of the marketing territory, as the jobber's margin now between delivered cost and service station price is slightly below the normal established figure.

5025 The kerosene market has not been unusually active, although prices are holding comparatively firm, except for occasional sales that have been made on material not having the most desirable specifications. The market for heating oils has been quiet; however, prices remain at a firm level, as refiners anticipate a decided increase in demand as winter weather approaches, and therefore feel

there is much possibility that present quotations can be held, or possibly advanced.

Published quotations on the general list of refinery products for today are as follows:

U. S. Motor, Below 62 Octane	4¾¢ to 4⅞¢
U. S. Motor, 63-70 Octane	5⅝¢ to 5¾¢
U. S. Motor, 71 Octane and above	5¾¢
60/62-400 Below 62 Octane	4¾¢ to 4⅞¢
60/62-400, 63-70 Octane	5⅝¢ to 5¾¢
60/62-400, 71 Octane and above	5¾¢
68/70-360	5¢ to 5¼¢
42-44 Kerosene	3⅝¢ to 3¾¢
41-43 Kerosene	3⅜¢ to 3⅝¢
38-40 P. W. Distillate	3⅛¢ to 3¼¢
38-40 L. S. Distillate	3¢ to 3⅛¢
32-36 Zero Gas Oil	3¢ to 3⅛¢
28-30 Zero Fuel Oil	2⅝¢ to 2⅞¢
Natural Gasoline	3¾¢ to 4¢

Brokers report they find the resale market today is especially firm, with a majority of refiners quoting 4⅝¢ on low octane U. S. Motor gasoline and in some cases 4¾¢ is being asked for this grade of material.

Below is a comparison of our finished stocks on hand as of October 1st and October 25th:

	October 1st	October 25th
Tydol-Ethyl	152,000	72,000
Hi-Test Tydol	933,000	1,249,000
Bronze Leaded	205,000	608,000
60/62-437	692,000	489,000
Tydol-Aero	—	30,000
	1,982,000	2,448,000
Kerosene	424,000	170,000
Distillate	1,203,000	1,063,000
Tractor Fuel	74,000	55,000
Stoddard Solvent	24,000	24,000
Gas Oil	—	10,000
Fuel Oil	1,893,000	3,472,000

5026 Total finished gasoline stocks have increased to some extent, while kerosene, distillate and tractor fuel stocks have decreased. Our stocks of heavy fuel oil have also increased since October 1st.

We are showing below a comparison of our shipments with the estimated schedule for the period October 1st to October 24th, inclusive:

	Schedule	Shipments	Percent
Tydol Ethyl	88,000	92,000	104.5
Hi-Test Tydol	4,906,000	5,564,000	113.4
Tidex	770,000	748,000	97.1
Magnolia Ethyl	22,000	8,000	36.4
Magnolia Regular	1,210,000	1,394,000	115.2
Magnolia Third Grade	308,000	200,000	64.9
Unbranded	462,000	464,000	100.4
	7,766,000	8,470,000	109.1
Kerosene	660,000	628,000	95.2
Distillate	770,000	452,000	58.7
Tractor Fuel	88,000	232,000	263.6
Gas Oil	—	48,000	—
Fuel Oil	—	2,780,000	—

With a continued good movement of gasoline our total shipments show 109% of the estimated schedule, with each grade of branded gasoline well above our estimate. Shipments of branded gasoline to date this month are only slightly below the same period for September, and a further comparison shows that branded gasoline shipments, as well as total gasoline shipments, are considerably above shipments for the same period in October, 1934.

J. W. Warner

ROA/OS

5027 **GOVERNMENT EXHIBIT NO. 275.**

Inter-Office Correspondence
Tide Water Oil Company
Tidal Pipe Line Company

Subject: Weekly Market Letter No. 44.

To: Mr. J. D. Collins From: J. W. Warner

Date: November 2, 1935

Ruling tank car gasoline prices that have existed in the Mid-Continent for the past five months are still supported by a comparatively well balanced market.

Refiners' conservative schedules of operation are considered of great importance for today's market. Although domestic demand for gasoline in the Middle West has held up exceptionally well during the month of October and the rate of consumption compares very favorably with the same period of other recent years, it must not be forgotten that the tendency of consumption is downward. Observers are therefore advocating the lowering of gasoline production.

Movement of gasoline at the present time is still largely on contract orders, as brokers report the spot market dull. Export demand is fairly brisk and is having a bouyant effect on the trend of gasoline prices.

Inter-refinery buying is still a major factor in the East Texas market, most of the material being purchased for Gulf Coast movement, leaving only small quantities available to northern buyers. Consequently, brokers are now purchasing a large portion of their requirements for northern shipment in North Texas and Oklahoma fields.

The advance in price of California crude oil this week has relieved to a considerable degree the uncertainty which has existed in the Mid-Continent due to the possibility of low priced gasoline moving in from that district.

The retail gasoline market is still disturbed in several localities in the Standard of Indiana territory. This situation does not seem to be growing worse; neither has there been a noticeable change for the better.

Kerosene has been firming up to some extent. However, there has been no change in published prices. Other grades of burning and heating oils are showing improvement, due to colder weather.

Published prices on the general list of refinery products for today are as follows:

5028	U. S. Motor, Below 62 Octane	4¾¢ to 4⅞¢
	U. S. Motor, 63-70 Octane	5⅝¢ to 5¾¢
	U. S. Motor, 71 Octane and above	5¾¢
	60/62-400, Below 62 Octane	4¾¢ to 4⅞¢
	60/62-400, 63-70 Octane	5⅝¢ to 5¾¢
	60/62-400, 71 Octane and above	5¾¢
	68/70-360	5¢ to 5¼¢
	42-44 Kerosene	3⅝¢ to 3¾¢
	41-43 Kerosene	3⅜¢ to 3⅝¢
	38-40 P. W. Distillate	3⅛¢ to 3¼¢
	38-40 L. S. Distillate	3¢ to 3⅛¢
	32-36 Zero Gas Oil	3¢ to 3⅛¢
	28-30 Zero Fuel Oil	2⅝¢ to 2⅞¢
	Natural Gasoline	3¾¢ to 3⅞¢

Marketers and brokers report their buying price today at 4⅝¢ to 4¾¢ on low octane motor grade gasoline. The price of natural gasoline is unchanged this week.

Below is a comparison of our finished stocks on hand as of October 1st and November 1st:

	October 1st	November 1st
Tydol-Ethyl	152,000	80,000
Hi-Test Tydol	933,000	1,150,000
Bronze Leaded	205,000	585,000
60/62-437	692,000	470,000
Tydol-Aero	—	42,000
	1,982,000	2,327,000
Kerosene	424,000	162,000
Distillate	1,203,000	1,078,000
Tractor Fuel	74,000	42,000
Stoddard Solvent	24,000	24,000
Gas Oil	—	10,000
Fuel Oil	1,893,000	3,453,000

Total finished gasoline stocks have increased somewhat, while kerosene, distillate and tractor fuel stocks have decreased. Our stocks of heavy fuel oil have also increased since October 1st.

We are showing below a comparison of our shipments with the estimated schedule for the month of October:

5029

	Schedule	Shipments	Percent
Tydol-Ethyl	104,000	108,000	103.8
Hi-Test Tydol	5,798,000	6,886,000	118.8
Tidex	910,000	812,000	89.2
Magnolia Ethyl	26,000	12,000	46.2
Magnolia Regular	1,430,000	1,800,000	125.9
Magnolia Third Grade	364,000	288,000	79.1
Unbranded	546,000	596,000	109.2
	9,178,000	10,502,000	114.4
Kerosene	780,000	754,000	96.7
Distillate	900,000	540,000	60.0
Tractor Fuel	104,000	272,000	261.5
Gas Oil	—	80,000	—
Fuel Oil	—	3,250,000	—

The total percentage of gasoline shipments equals 114% of our estimated schedule. The total branded gasoline shipments equal 7,806,000 gallons, of which 1% is Ethyl, 88% is Tydol and 11% is Tidex. Tydol percentage appears to be on an increase, while Tidex shipments are slowing up.

J. W. Warner.

JFB/OS

5030 **GOVERNMENT EXHIBIT NO. 276.**

Inter-Office Correspondence

Tide Water Oil Company
Tidal Pipe Line Company

Subject: Weekly Market Letter No. 45.

To: Mr. J. D. Collins **From: J. W. Warner**

Date: November 9, 1935

The gasoline market early this week lost considerable ground as inter-refinery buying in the East Texas district failed to develop as was anticipated. As a result a surplus quantity of material accumulated, causing temporary anxiety among marketers as to the future trend of prices.

The spot market immediately experienced a more plentiful supply of gasoline than had been available in several weeks. This condition was reflected particularly in the Chicago area, where brokers were actively soliciting gasoline orders for the East Texas group of refineries. Suppliers reduced their prices fractionally in order to attract new business, but to date these slightly lower resale prices have had no effect on published quotations. Thursday a revival of inter-refinery purchasing relieved this situation, and today the East Texas district is again in very good shape. News indicates, too, that prospects for the coming week are favorable, as reports show several large buying orders have already been placed in East Texas.

It is definitely felt that unless inter-refinery purchasing is continued there will result a drastic reduction in spot gasoline quotations, and, in turn, a decline in published prices. On the other hand, with a reasonable amount of buying support marketers express confidence that established prices will continue throughout the winter months.

Definite and reliable information shows refiners in the East Texas field have lowered their crude runs to stills to a marked degree. This is believed to be good proof that this group of manufacturers see the necessity of a balanced market.

Trading on the open gasoline market by jobbers has been exceedingly dull this week. Contract gasoline shipments are also tapering off as we approach the end of the year.

The burning oil market is showing considerable activity,

with the exception of kerosene. Prices are apparently firm.

5031 Published quotations on the general list of refinery products for today are as follows:

U. S. Motor, Below 62 Octane	4¾¢ to 4⅞¢
U. S. Motor, 63-70 Octane	5⅝¢ to 5¾¢
U. S. Motor, 71 Octane and above	5¾¢
60/62-400, Below 62 Octane	4¾¢ to 4⅞¢
60/62-400, 63-70 Octane	5⅝¢ to 5¾¢
60/62-400, 71 Octane and above	5¾¢
68/70-360	5¢ to 5¼¢
42-44 Kerosene	3⅝¢ to 3¾¢
41-43 Kerosene	3⅜¢ to 3⅝¢
38-40 P. W. Distillate	3⅛¢ to 3¼¢
38-40 L. S. Distillate	3¢ to 3⅛¢
32-36 Zero Gas Oil	3¢ to 3⅛¢
28-30 Zero Fuel Oil	2⅝¢ to 2⅞¢
Natural Gasoline	3⅞¢

Marketers and brokers report their buying price today on the low octane motor grade gasoline at 4⅝¢, with occasional cars at 4½¢, f. o. b. Group 3. Natural gasoline prices are showing some improvement.

Below is a comparison of our finished stocks on hand as of November 1st and November 8th:

	November 1st	November 8th
Tydol Ethyl	80,000	184,000
Hi-Test Tydol	1,150,000	1,182,000
Bronze Leaded	585,000	150,000
60/62-437	470,000	499,000
Tydol Aero	42,000	8,000
Total	2,327,000	2,023,000
Kerosene	162,000	123,000
Distillate	1,078,000	873,000
Tractor Fuel	42,000	40,000
Stoddard Solvent	24,000	24,000
Gas Oil	10,000	251,000
Fuel Oil	3,453,000	3,622,000

Total finished gasoline stocks have decreased approximately 300,000 gallons since the first of the month. This

is due to bronze leaded grade decreasing below November 1st figures.

5032 We are showing below a comparison of our shipments with estimated schedule for the period November 1st to November 7th, inclusive:

	Schedule	Shipments	Percent
Tydol Ethyl	24,000	20,000	83.3
Hi-Test Tydol	1,272,000	1,316,000	103.5
Tidex	132,000	192,000	145.4
Magnolia Ethyl	6,000	—	—
Magnolia Regular	342,000	360,000	105.3
Magnolia Third Grade	66,000	52,000	78.8
Unbranded	138,000	172,000	124.6
	1,980,000	2,112,000	106.6
Kerosene	144,000	120,000	83.3
Distillate	144,000	200,000	138.9
Tractor Fuel	18,000	16,000	88.9
Gas Oil	96,000	96,000	100.0
Fuel Oil	—	840,000	—

Total gasoline shipments show approximately 106% of our estimate, with all grades above schedule except Ethyl gasoline and Magnolia Third Grade. Kerosene shipments have been slowing up this week. However the other burning oils are moving more briskly.

J. W. Warner.

JFB/OS

5033 GOVERNMENT EXHIBIT NO. 277.

Inter-Office Correspondence
Tide Water Oil Company
Tidal Pipe Line Company

Subject: Weekly Market Letter No. 46.

To: Mr. J. D. Collins From: J. W. Warner

Date: November 18, 1935

Refiners and marketers alike have reported less activity in the tank car gasoline market during the past week. The falling off of gasoline sales is the usual expectancy for this season of the year and is accepted as a natural problem to be worked out through the adjustment of refinery crude runs.

Manufacturers in general have realized in the last few months the importance of unselfish practices for the good of the industry. Refiners, large and small, have continued to contribute this week toward the firmness of the present market by endeavoring to hold their gasoline production in line with seasonal market demands.

Many of the larger plants have cut their own production short in order that they may assist the small refiners to dispose of their gasoline. Most of the small producers depend entirely on the spot market as an outlet for their gasoline output, and inter-refinery buying is conceded to be the outstanding feature of support in the prevailing market.

The East Texas group of refiners are reported to be in good shape, as gasoline orders placed early in the week absorbed most of their available material. Oklahoma and North Texas refiners, however, have been offering material a little more freely the last few days, due to the dull open market demand.

Subnormal service station prices in Illinois and certain other northern states continue in effect. The efforts which are being made to correct this condition have been successful to the extent that they have kept the subnormal area fairly well localized.

Kerosene sales are reported to be slow. Movement of other burning oils has also been somewhat disappointing to marketers, as jobbers apparently are not willing to build up their stocks beyond current demand.

Published quotations on the general list of refinery products for today are as follows:

5034

U. S. Motor,	Below 62 Octane	4¾¢ to 4⅞¢
U. S. Motor,	63-70 Octane	5⅝¢ to 5¾¢
U. S. Motor,	71 Octane and above	5¾¢
60/62-400,	Below 62 Octane	4¾¢ to 4⅞¢
60/62-400,	63-70 Octane	5⅝¢ to 5¾¢
60/62-400,	71 Octane and above	5¾¢
68/70-360		5¢ to 5¼¢
42-44 Kerosene		3⅝¢ to 3¾¢
41-43 Kerosene		3⅜¢ to 3⅝¢
38-40 P. W. Distillate		3⅛¢ to 3⅜¢
38-40 L. S. Distillate		3¢ to 3⅛¢
32-36 Zero Gas Oil		3¢ to 3⅛¢
28-30 Zero Fuel Oil		2⅝¢ to 2⅞¢
Natural Gasoline		4¢

Marketers and brokers report their buying price today on the low octane motor grade gasoline at 4½¢ to 4⅝¢, f. o. b. Group 3. Natural gasoline prices have advanced ⅛¢ during the past week.

Below is a comparison of our finished stocks on hand as of November 1st and November 15th:

	November 1st	November 15th
Tydol Ethyl	80,000	167,000
Hi-Test Tydol	1,150,000	1,086,000
Bronze Leaded	585,000	51,000
60/62-437	470,000	513,000
Tydol Aero	42,000	34,000
Total	2,327,000	1,851,000
Kerosene	162,000	52,000
Distillate	1,078,000	781,000
Tractor Fuel	42,000	—
Stoddard Solvent	24,000	20,000
Gas Oil	10,000	224,000
Fuel Oil	3,453,000	3,852,000

Total finished gasoline stocks show a considerable reduction today compared to November 1st, which is reflected in bronze leaded gasoline. Our kerosene stock has also been

reduced approximately 100,000 gallons since the first of the month.

5035 / We are showing below a comparison of shipments with our estimated schedule for the period November 1st to November 14th, inclusive:

	Schedule	Shipments	Percent
Tydol-Ethyl	48,000	24,000	50.0
Hi-Test Tydol	2,544,000	2,600,000	102.2
Tidex	264,000	324,000	122.7
Magnolia Ethyl	12,000	8,000	66.7
Magnolia Regular	684,000	810,000	118.4
Magnolia Third Grade	132,000	164,000	124.2
Unbranded	276,000	288,000	104.3
	3,960,000	4,218,000	106.5
Kerosene	288,000	264,000	91.6
Distillate	288,000	424,000	147.2
Tractor Fuel	36,000	24,000	66.6
Gas Oil	192,000	168,000	87.5
Fuel Oil	——	1,560,000	—

Total gasoline shipments equal 106% so far this month. Although we feel shipments will possibly be on a decline the remainder of the month, we anticipate shipments to compare very favorably with our estimate.

J. W. Warner.

JFB/OS

5036 GOVERNMENT EXHIBIT NO. 278.

Inter-Office Correspondence
Tide Water Oil Company
Tidal Pipe Line Company

Subject: Weekly Market Letter No. 47

To: Mr. J. D. Collins From: J. W. Warner

Date: November 23, 1935.

The refinery gasoline market showed signs of further weakness in the Mid-Continent region this week.

East Texas group of refiners were said to have a considerable amount of available gasoline at the end of the week, as inter-refinery buying failed to develop in the East Texas district sufficiently to absorb the quantity this group of refiners had to offer. The exact amount of surplus gasoline can not be readily confirmed; however it is estimated at 100 cars.

Due to a very dull spot market throughout the Midwest territory gasoline was allowed to accumulate in other refining districts. North Texas refiners reduced their prices slightly in order to obtain additional orders. Reports were also heard this week of odd car lots of low octane motor gasoline sold in Oklahoma at lower prices.

Observers are stressing the importance of a further reduction of refinery crude runs, as production is generally conceded to be too high in comparison with the present market demand.

Gasoline published prices are still unchanged at the end of this week, in spite of the lower resale tank car quotations. However, marketers feel published quotations can not possibly be maintained at the present levels unless quick action is taken to clear the open market of distress material.

The kerosene market continued dull during this week. However, other burning oils showed much improvement. All grades of zero oils were in good demand and marketers reported material scarce at established prices.

Published quotations on the general list of refinery products for today are as follows:

U. S. Motor, Below 62 Octane	4¾¢ to 4⅞¢
U. S. Motor, 63-70 Octane	5⅝¢ to 5¾¢
U. S. Motor, 71 Octane and above	5¾¢

5037

60/62-400,	Below 62 Octane	4¾¢ to 4⅞¢
60/62-400,	63-70 Octane	5⅝¢ to 5¾¢
60/62-400,	71 Octane and above	5¾¢
68/70-360		5¢ to 5¼¢

42-44 Kerosene	3⅝¢ to 3¾¢
41-43 Kerosene	3⅜¢ to 3⅝¢
38-40 P. W. Distillate	3⅛¢ to 3⅜¢
38-40 L. S. Distillate	3¢ to 3¼¢
32-36 Zero Gas Oil	3¢ to 3⅛¢
28-30 Zero Fuel Oil	2⅝¢ to 2⅞¢
Natural Gasoline	4¢

Below is a comparison of our finished stocks on hand as of November 1st and November 22nd:

	November 1st	November 22nd
Tydol Ethyl	80,000	138,000
Hi-Test Tydol	1,150,000	1,824,000
Bronze Leaded	585,000	315,000
60/62-437	470,000	474,000
Tydol Aero	42,000	31,000
	2,327,000	1,851,000
Kerosene	162,000	52,000
Distillate	1,078,000	690,000
Stoddard Solvent	24,000	20,000
Gas Oil	10,000	116,000
Fuel Oil	3,453,000	3,928,000

Total finished gasoline stocks today are the same as were shown for last week, but approximately 500,000 gallons less than they were on November 1st.

We are showing below a comparison of shipments with our estimated schedule for the period November 1st to November 21st, inclusive:

	Schedule	Shipments	Percent
Tydol-Ethyl	72,000	44,000	61.1
Hi-Test Tydol	3,816,000	4,012,000	105.1
Tidex	396,000	376,000	94.9
Magnolia Ethyl	18,000	8,000	44.4
Magnolia Regular	1,026,000	1,215,000	118.4
Magnolia Third Grade	198,000	212,000	107.0
Unbranded	414,000	308,000	74.3
	5,940,000	6,175,000	103.9

5038	Schedule	Shipments	Percent
Kerosene	432,000	544,000	125.9
Distillate	432,000	576,000	133.3
Tractor Fuel	54,000	48,000	88.8
Gas Oil	288,000	308,000	106.9
Fuel Oil	——	2,380,000	—

Total gasoline shipments equal 103.9% of our schedule so far this month. Our heating oil shipments are also above our estimate, due to colder weather.

J. W. Warner.

JFB/OS

5039 **GOVERNMENT EXHIBIT NO. 279.**

Inter-Office Correspondence

Tide Water Oil Company

Tidal Pipe Line Company

Subject: Weekly Market Letter No. 48

To: Mr. J. D. Collins **From: J. W. Warner**

Date: November 30, 1935

The gasoline market in the Mid-Continent region has reflected further weakness in the last few days. Published tank car quotations on the low octane motor grade declined 1/8¢ on Tuesday. The reason which is attributed for this break is that East Texas refiners are no longer able to move their entire gasoline output to Gulf Coast points and have turned to the north Mid-Western market for an outlet. Realizing that they must compete with Oklahoma and North Texas suppliers, they are forced to lower their prices as a means of securing orders.

All things being equal, most gasoline jobbers will purchase East Texas gasoline in preference to material from other refining districts, knowing from experience it is superior to the majority of third grade gasoline, the anti-knock quality being approximately ten to fifteen points higher than straight run motor gasoline from other districts. This being true, and refiners in Oklahoma and North Texas not being willing to lose the small amount of gasoline business available on the spot market, they have also lowered quotations.

Several marketers of Oklahoma and North Texas gasoline are in urgent need of orders, as shown by the fact that they have lowered their prices in an attempt to obtain quick shipping instructions, but with little success. Observers feel that some very definite action must be taken to clear from the open market all surplus gasoline. Unless this is done a general breakdown in prices is probable, in spite of efforts of many manufacturers to keep production in line with the seasonal decline in market demand.

Inter-refinery trading, which has been the outstanding feature of support for the last several months, is still going on, but the quantity of gasoline now being removed from the open market through this channel is less than during past weeks. With renewed interest along this line marketers who are in close contact with the situation and who have made a careful study of conditions believe market stability and confidence can easily be restored.

Tank wagon and service station prices in the Indiana territory are still disturbing. Not much hope is being expressed for correcting this situation, as long as refinery quotations remain unsettled.

5040 The burning oil market is showing gradual improvement, as marketers report it is becoming more difficult to buy the zero grades at present quoted prices. However, jobber demand is practically unchanged, as no severe cold weather has yet been experienced.

Published quotations on the general list of refinery products for today are as follows:

U. S. Motor, Below 62 Octane	4⅝¢ to 4⅞¢
U. S. Motor, 63-70 Octane	5⅝¢ to 5¾¢
U. S. Motor, 71 Octane and above	5¾¢
60/62-400, Below 62 Octane	4⅝¢ to 4⅞¢
60/62-400, 63-70 Octane	5⅝¢ to 5¾¢
60/62-400, 71 Octane and above	5¾¢
68/70-360	5¢ to 5¼¢
42-44 Kerosene	3⅝¢ to 3¾¢
41-43 Kerosene	3⅜¢ to 3⅝¢
38-40 P. W. Distillate	3⅛¢ to 3¼¢
38-40 L. S. Distillate	3¢ to 3¼¢
32-36 Zero Gas Oil	3¢ to 3¼¢
28-30 Zero Fuel Oil	2⅝¢ to 2⅞¢.
Natural Gasoline	4⅛¢

Brokers report their buying price today at 4⅜¢ to 4½¢ on the low octane motor grade gasoline, with possibly the greater portion moving at 4⅜¢. Natural gasoline prices have been advanced ⅛¢ this week.

Below is a comparison of our finished stocks on hand as of November 1st and November 29th:

	November 1st	November 29th
Tydol Ethyl	80,000	115,000
Hi-Test Tydol	1,150,000	2,586,000
Bronze Leaded	585,000	205,000
60/62-437	470,000	705,000
Tydol Aero	42,000	21,000
Total	2,327,000	3,632,000
Kerosene	162,000	170,000
Distillate	1,078,000	628,000
Stoddard Solvent	24,000	14,000
Gas Oil	10,000	131,000
Fuel Oil	3,453,000	4,053,000

5041 Total finished gasoline stocks today are approximately 1,300,000 gallons above our figures shown for November 1st.

We are showing below a comparison of shipments with our estimated schedule for the period November 1st to November 27th, inclusive:

	Schedule	Shipments	Percent
Tydol Ethyl	92,000	68,000	73.9
Hi-Test Tydol	4,876,000	5,164,000	105.9
Tidex	506,000	468,000	92.5
Magnolia Ethyl	23,000	16,000	69.6
Magnolia Regular	1,311,000	1,689,000	128.8
Magnolia Third Grade	253,000	228,000	90.1
Unbranded	529,000	432,000	81.7
Total	7,590,000	8,065,000	106.3
Kerosene	552,000	704,000	127.5
Distillate	552,000	708,000	128.3
Tractor Fuel	69,000	48,000	69.6
Gas Oil	368,000	388,000	105.4
Fuel Oil	——	3,080,000	—

Total percentage of gasoline shipments to schedule equal 106% so far this month. However, shipments in comparison to last month's shipments are considerably less. November Tydol shipments in cars, including compartment cars, are 160 less than October shipments. Ethyl gasoline shipments have decreased by 5 cars and Tidex shipments by 54 cars.

J. W. Warner.

JFB/OS

5042 **GOVERNMENT EXHIBIT NO. 280.**

Inter-Office Correspondence

Tide Water Oil Company
Tidal Pipe Line Company

Subject: Weekly Market Letter No. 49

To: Mr. J. D. Collins **From: J. W. Warner**

Date: December 7, 1935

The Mid-Continent refinery gasoline market has shown considerable improvement during the past few days. At the close of last week only small hope was advanced for the possibility of stabilizing gasoline prices. Refiners in all districts were pressing distributors for orders in an attempt to dispose of their surplus gasoline stocks, fearing a general breakdown in the price structure. However, due to the rallying of inter-company buyers, confidence has been restored to a large degree.

Strength in the gasoline market is undoubtedly due to more aggressive purchasing of East Texas gasoline by several large refinery buyers. Orders for several hundred cars were reported placed for delivery over this week, which, together with the quantity regularly absorbed each week, virtually cleaned up all distress offerings in that district, most of the material being consigned to Gulf Coast points. Northern buyers, however, were being offered odd carlots of low octane U. S. Motor gasoline from East Texas, as Gulf Coast buyers considered the end point on this grade of gasoline too high to meet their requirements. The major portion of the material going south for export or coastwise shipment has an end point of less than 400. Observers concede that the East Texas market holds the key to the general gasoline situation in the Mid-Continent region, as the favorable reaction there has in turn greatly strengthened sentiment in the Group 3 District.

Jobber spot demand for gasoline is considered dull by open market traders today. Contract shipments are reported to be moving comparatively well for this season of the year.

Although kerosene demand is rather erratic, other zero burning oils are in good demand. Marketers report supplies of the better grades are difficult to locate at established published prices. Refiners are apparently storing

their production as much as possible to apply against contract orders.

Published quotations on the general list of refinery products for today are as follows:

5043	U. S. Motor, Below 62 Octane	4⅝¢ to 4⅞¢
	U. S. Motor, 63-70 Octane	5⅝¢ to 5¾¢
	U. S. Motor, 71 Octane and above	5¾¢
	60/62-400, Below 62 Octane	4⅝¢ to 4⅞¢
	60/62-400, 63-70 Octane	5⅝¢ to 5¾¢
	60/62-400, 71 Octane and above	5¾¢
	68/70-360	5¢ to 5¼¢
	42-44 Kerosene	3⅝¢ to 3¾¢
	41-43 Kerosene	3⅜¢ to 3⅝¢
	38-40 P. W. Distillate	3¼¢ to 3⅜¢
	38-40 L. S. Distillate	3¢ to 3¼¢
	32-36 Zero Gas Oil	3¢ to 3¼¢
	28-30 Zero Fuel Oil	2¾¢ to 2⅞¢
	Natural Gasoline	4⅛¢ to 4¼¢

Brokers and other marketers report their resale buying price on the low octane motor grade gasoline at 4⅜¢ to 4⅝¢. Natural gasoline prices are unchanged.

Below is a comparison of our finished stocks on hand as of November 1st and December 1st:

	November 1st	December 1st
Tydol Ethyl	80,000	89,000
Hi-Test Tydol	1,150,000	2,509,000
Bronze Leaded	585,000	115,000
60/62-437	470,000	695,000
Tydol Aero	42,000	21,000
Total	2,327,000	3,429,000
Kerosene	162,000	164,000
Distillate	1,078,000	553,000
Stoddard Solvent	24,000	14,000
Gas Oil	10,000	118,000
Fuel Oil	3,453,000	4,160,000

Total finished gasoline stocks have increased approximately 1,000,000 gallons since November 1st. Our stock of 38-40 Distillate is 500,000 gallons less today than it was on the first of last month, which is perhaps running too low for this season of the year.

We are showing below a comparison of shipments with our estimated schedule for the month of November:

	Schedule	Shipments	Percent
Tydol Ethyl	100,000	92,000	92.0
Hi-Test Tydol	5,300,000	5,621,000	106.1
Tidex	550,000	507,000	92.1
5044 Magnolia Ethyl	25,000	16,000	64.0
Magnolia Regular	1,425,000	1,842,000	129.3
Magnolia Third Grade	275,000	241,000	87.6
Unbranded	575,000	520,000	90.4
Total	8,250,000	8,839,000	107.1
Kerosene	600,000	788,000	131.3
Distillate	600,000	800,000	133.3
Tractor Fuel	75,000	48,000	64.0
Gas Oil	400,000	444,000	111.0
Fuel Oil	—	3,380,000	

Total percentage of gasoline shipments equals 107% of our estimate for the month. Shipments of all grades have held up comparatively well. Burning oils are also above our schedule for the month.

J. W. Warner

JFB/OS

5045 GOVERNMENT EXHIBIT NO. 281.

Inter-Office Correspondence

Tide Water Oil Company

Tidal Pipe Line Company

Subject: Weekly Market Letter No. 50.

To: Mr. J. D. Collins From: J. W. Warner

Date: December 14, 1935

Tank car gasoline quotations have reflected improvement in the Mid-Continent market this week. Published quotations were restored on the low octane grades to 4¾¢,—the price carried by publications on this grade from early summer until about the first of December. The recovery of prices is recognized by marketers to be due to the renewed buying interest in the East Texas refinery district.

Large quantities of gasoline have been moving out of East Texas for export or coastwise movement this week. Whenever support from Gulf Coast buyers is lacking in the East Texas market, as it was about two weeks ago, gasoline from that district moves northward in competition to the natural marketing territory of Oklahoma, North Texas and Kansas refiners. This invariably disturbs supply and demand to the extent that prices are generally lowered. These periodical disturbances, however, have been less frequent the last six or eight months, because of the regularity with which major company buyers have absorbed all the material in the East Texas area. Information from East Texas today is especially favorable. Buyers report they are encountering difficulty in locating gasoline for prompt shipment, as orders placed early in the week apparently cleaned up all available material. Next week, however, may be a different story.

Marketers in general are advocating a further reduction in gasoline production. A recent survey by some observers of refinery operations for December in East Texas and other Mid-Continent districts indicates refinery crude runs are being reduced ten to twelve per cent under November. However, the percentage of decrease is reported estimated rather than actual calculations, but it is sufficient to reflect that refiners are doing everything possible to prevent surplus gasoline from being a burden on the open market.

The hot oil situation in East Texas is reported to be

showing great improvement. Confiscated oil is gradually disappearing, and this is having a favorable effect on intrastate gasoline prices. Refiners are quoting 9½¢ at truck docks this week. This price includes the tax of 5¢, leaving the refiner a net realization of 4½¢, or only ⅛¢ less than Federal tendered gasoline moving to Gulf ports.

5046 Jobber spot demand for gasoline has been dull throughout the week. Inter-refinery purchases apparently have furnished the necessary outlet for the current quantity offered in excess of jobber requirements. Contract shipments are on a seasonal decline.

The kerosene market demand is unchanged from last week. Orders for other grades of zero burning oils are showing an increase. The price on the 38-40 distillate has advanced ⅛¢ this week.

Published quotations on the general list of refinery products for today are as follows:

U. S. Motor, Below 62 Octane	4¾¢ to 4⅞¢
U. S. Motor, 63-70 Octane	5⅝¢ to 5¾¢
U. S. Motor, 71 Octane and above	5¾¢
60/62-400, Below 62 Octane	4¾¢ to 4⅞¢
60/62-400, 63-70 Octane	5⅝¢ to 5¾¢
60/62-400, 71 Octane and above	5¾¢
68/70-360	5¢ to 5¼¢
42-44 Kerosene	3⅝¢ to 3¾¢
41-43 Kerosene	3⅜¢ to 3⅝¢
38-40 P. W. Distillate	3¼¢ to 3⅜¢
38-40 L. S. Distillate	3⅛¢ to 3¼¢
32-36 Zero Gas Oil	3⅛¢ to 3¼¢
28-30 Zero Fuel Oil	2¾¢ to 2⅞¢
Natural Gasoline	4¼¢

Resale prices on the low octane motor grade gasoline are showing some improvement. However, brokers report they are still able to purchase material at 4⅜¢ f. o. b. Group 3 from a few suppliers. Natural gasoline prices have advanced ⅛¢ this week.

Below is a comparison of our finished stocks on hand as of December 1st and December 13th:

	December 1st	December 13th
Tydol Ethyl	89,000	81,000
Hi-Test Tydol	2,509,000	2,916,000
Bronze Leaded	115,000	216,000
60/62-437	695,000	800,000
Tydol-Aero	21,000	12,000
Total	3,429,000	4,025,000
Kerosene	164,000	179,000
Distillate	553,000	309,000
Stoddard Solvent	14,000	14,000
Gas Oil	118,000	155,000
Fuel Oil	4,160,000	3,526,000

5047 Total finished gasoline stocks show an increase of approximately 600,000 gallons over December 1st figures. Our distillate stock is now showing a decline each week, due to a heavy jobber demand.

We are showing below a comparison of our shipments for the period of December 1st to December 12th, inclusive, with the estimated schedule for that portion of the month:

	Schedule	Shipments	Percent
Tydol Ethyl	30,000	49,000	163.3
Hi-Test Tydol	1,970,000	2,004,000	101.7
Tidex	200,000	124,000	62.0
Magnolia Ethyl	10,000	—	—
Magnolia Regular	684,000	758,000	110.8
Magnolia Third Grade	80,000	95,000	118.7
Unbranded	220,000	293,000	133.1
Total	3,194,000	3,323,000	104.0
Kerosene	260,000	239,000	91.9
Distillate	460,000	474,000	103.0
Tractor Fuel	—	—	—
Gas Oil	310,000	192,000	61.9
Fuel Oil	—	1,695,000	—

Total percentage of gasoline shipments this month in comparison with the schedule is 104%. The total branded gasoline shipments equal 2,177,000 gallons to date, of which 2% is Ethyl, 92% is Tydol and 6% is Tidex.

J. W. Warner.

JFB/OS

(Handwritten Initials):
"JDC"

5048 GOVERNMENT EXHIBIT NO. 284.

Inter-Office Correspondence

Tide Water Oil Company
Tidal Pipe Line Company

Subject: Weekly Market Letter No. 1

To: Mr. J. D. Collins From: J. W. Warner

Date: January 4, 1936

The tank car gasoline market entered the new year this week in the same steadiness that has been exhibited during the final months of 1935. Refiners are quite pleased over the gradual improvement during this period and many observers are apparently optimistic over the prospects for this year. The more conservative are hopeful of seeing continued improvement, but are more cautious in making predictions. They contend the gasoline market would quickly revert to weakness in case major refiners should see fit to discontinue their buying program in East Texas. In spite of the varying opinions, however, marketers in general agree the outlook is much brighter at this time than it was a year ago.

During the current week the spot gasoline market has been rather inactive. Some marketers report they have experienced fair business, while the majority say trading has been very dull. Inclement weather conditions existing in a large section of the Middle West is the main reason for the slow demand. On the other hand, contract suppliers report their shipments are moving a little more freely, as their distributors are now building up end-of-year depleted gasoline stocks. Jobbers are now expected to place their orders currently for their gasoline requirements as long as quotations are held stable and refiners continue to market their gasoline in an orderly manner.

Reports on the East Texas situation today show that refining district to be in fair shape, as inter-refinery buying has continued to absorb most of the gasoline production in that area. In other refining districts gasoline is available to buyers in required quantities. However, brokers report suppliers are not attempting to push sales by offering surplus material at reduced prices.

The tank wagon and service station market in the Stand-

ard of Indiana territory ended the year in fairly good shape, compared to 1934. However, there are several points still subnormal that marketers are hopeful of straightening out before many weeks. All refiners and marketers alike are now endeavoring to iron out existing difficulties in the retail market in that area before the heavy consuming season starts.

5049 The kerosene market has been reflecting improvement the last few days, due to the strong demand for all grades of zero burning and heating oils. Prime white distillate has been scarce on the open market during the past ten days and several marketers are supplying a low grade kerosene in place of this grade of distillate.

Published quotations on the general list of refinery products today are as follows:

U. S. Motor, Below 62 Octane	4¾¢ to 4⅞¢
U. S. Motor, 63-70 Octane	5⅝¢ to 5¾¢
U. S. Motor, 71 Octane and above	5¾¢
60/62-400, Below 62 Octane	4¾¢ to 4⅞¢
60/62-400, 63-70 Octane	5⅝¢ to 5¾¢
60/62-400, 71 Octane and above	5¾¢
68/70-360	5¢ to 5¼¢
42-44 Kerosene	3⅝¢ to 3¾¢
41-43 Kerosene	3⅜¢ to 3⅝¢
38-40 P. W. Distillate	3⅜¢ to 3½¢
38-40 L. S. Distillate	3¼¢ to 3⅜¢
32-36 Zero Gas Oil	3¼¢ to 3⅜¢
28-30 Zero Fuel Oil	2⅞¢ to 3¢
Natural Gasoline	3½¢ to 3⅝¢

Gasoline resale quotations to brokers are reported to be held comparatively close to the above published prices, ranging from 4⅜¢ to 4⅝¢ f. o. b. Group 3. Natural gasoline prices have again declined this week.

Below is a comparison of our finished stocks on hand as of December 1st and January 1st:

	December 1st	January 1st
Tydol Ethyl	89,000	40,000
Hi-Test Tydol	2,509,000	1,880,000
Bronze Leaded	115,000	566,000
60/62-437	695,000	819,000
Tydol Aero	21,000	14,000
Total	3,429,000	3,319,000
Kerosene	164,000	53,000
Distillate	553,000	182,000
Stoddard Solvent	14,000	14,000
Gas Oil	118,000	37,000
Fuel Oil	4,160,000	2,913,000

Total finished gasoline stocks on January 1st are practically the same as were shown for December 1st. Tydol Hi-Test grade is now approximately 600,000 gallons 5050 short, while our Bronze Leaded grade is above December 1st inventory by 450,000 gallons. Heating Oil stocks, you will notice from the above figures, are quite low.

We are showing below a comparison of our shipments for the month of December with the estimated schedule for that period:

	Schedule	Shipments	Percent
Tydol Ethyl	75,000	109,000	145.3
Hi-Test Tydol	5,125,000	5,233,000	102.1
Tidex	500,000	332,000	66.4
Magnolia Ethyl	25,000	6,000	24.0
Magnolia Regular	1,450,000	1,659,000	114.4
Magnolia Third Grade	250,000	187,000	74.8
Unbranded	575,000	438,000	76.2
Total	8,000,000	7,964,000	99.6
Kerosene	648,000	599,000	92.4
Distillate	1,162,000	1,144,000	98.5
Gas Oil	768,000	568,000	74.0
Fuel Oil	——	3,320,000	—

Total gasoline shipments for the month of December equal 99.6% of our estimate. The total branded shipments equal 5,674,000 gallons for the month, of which 1.9% is Ethyl, 92.2% is Tydol and 5.9% is Tidex.

J. W. Warner

JFB/OS

5051 **GOVERNMENT EXHIBIT NO. 285.**

Inter-Office Correspondence

Tide Water Oil Company
Tidal Pipe Line Company

Subject: Weekly Market Letter No. 2

To: Mr. J. D. Collins **From: J. W. Warner**

Date: January 11, 1936.

The prospective outlook broadened this week toward improvement of the gasoline market in the Mid-Continent territory, due to an advance in crude oil prices. However, to date publications have not reflected an increase in market quotations.

The announced crude advance of 15 cents per barrel, effective January 9th, in the East Texas and Conroe fields, and the ten cent advance in two Gulf Coast fields by the Sun Company, were quickly met by other major crude buyers. In addition to this, Stanolind Crude Oil Purchasing Company advanced Oklahoma and Kansas crude prices ten cents, effective the same date. Viewing these higher crude prices from a gasoline marketing standpoint observers feel published gasoline quotations should advance to some extent. Reaction to the change in crude prices is already felt, as is shown by the fact that many open market sellers have withdrawn quotations pending the possibility of an upward swing in gasoline prices. Those who have not withdrawn their gasoline offerings are asking ⅛¢ more for their material.

The extent of the upward adjustment in tank car gasoline prices depends largely on what action is taken on tank wagon and service station postings in the Standard of Indiana territory. If retail prices are advanced in the near future, refinery prices will react and increase to a greater degree. However, there are several points still subnormal which may prevent any general advance at this time. Various retail organizations and refiners have been showing considerable activity in an attempt to iron out difficulties resulting from divergent marketing policies, but to date little improvement is noticeable.

Reports relative to the East Texas tank car market are still encouraging, as inter-refinery buying has continued to absorb most of the gasoline production in that area.

Weekly prices on this material are expected to be advanced within the next few days.

Movement of gasoline this week on the spot market to jobbers has been slow. Only a slight pick-up has been noticeable as a result of the crude advance, as marketers report few additional inquiries today. Contract shipments are moving as well as can be expected at this season of the year.

5052 The kerosene market has shown some improvement over the last several days, due to the steady strong demand for zero distillate. Some marketers are still experiencing difficulty in securing enough distillate to meet their requirements and are buying a low grade kerosene to apply on these orders.

Published quotations on the general list of refinery products today are as follows:

U. S. Motor, Below 62 Octane	4¾¢ to 4⅞¢
U. S. Motor, 63-70 Octane	5⅝¢ to 5¾¢
U. S. Motor, 71 Octane and above	5¾¢
60/62-400, Below 62 Octane	4¾¢ to 4⅞¢
60/62-400, 63-70 Octane	5⅝¢ to 5¾¢
60/62-400, 71 Octane and above	5¾¢
68/70-360	5¢ to 5¼¢
42-44 Kerosene	3⅝¢ to 3¾¢
41-43 Kerosene	3⅜¢ to 3⅝¢
38-40 P. W. Distillate	3⅜¢ to 3½¢
38-40 L. S. Distillate	3¼¢ to 3⅜¢
32-36 Zero Gas Oil	3¼¢ to 3⅜¢
28-30 Zero Fuel Oil	3¢ to 3⅛¢
Natural Gasoline	3⅜¢ to 3½¢

Resale gasoline quotations range from 4½¢ to 4⅝¢ f. o. b. Group 3. Natural gasoline prices have declined ⅛¢ this week.

Below is a comparison of our finished stocks on hand as of January 1st and January 10th:

	January 1st	January 10th
Tydol Ethyl	40,000	196,000
Hi-Test Tydol	1,880,000	1,531,000
Bronze Leaded	566,000	276,000
60/62-437	819,000	979,000
Tydol Aero	14,000	40,000
Total	3,319,000	3,022,000
Kerosene	53,000	81,000
Distillate	182,000	154,000
Stoddard Solvent	14,000	12,000
Gas Oil	37,000	141,000
Fuel Oil	2,913,000	3,325,000

Total finished gasoline stocks today are approximately 300,000 lower than they were on January first. Most of the difference is reflected in the Hi-Test Tydol grade. Burning and heating oil stocks are still low, which is causing shipments to be currently delayed.

5053 We are showing below a comparison of our shipments with the schedule for the period January 1st to January 9th, inclusive:

	Schedule	Shipments	Percent
Tydol Ethyl	28,000	17,000	60.7
Hi-Test Tydol	1,386,000	1,568,000	113.1
Tidex	91,000	152,000	167.0
Magnolia Ethyl	7,000	13,000	185.7
Magnolia Regular	600,000	598,000	99.7
Magnolia Third Grade	100,000	94,000	94.0
Unbranded	140,000	143,000	102.1
Total	2,352,000	2,585,000	109.9
Kerosene	182,000	185,000	101.6
Distillate	266,000	372,000	139.8
Gas Oil	133,000	72,000	54.1
Fuel Oil	—	320,000	—

The total percentage of gasoline shipments to schedule is well over our estimate for this period. The reason for the high percentage is believed due to jobbers allowing their storage to run low for end-of-year inventories and placing orders since the first of the year to build up their required operating stocks.

JFB/OS J. W. Warner.

5054 **GOVERNMENT EXHIBIT NO. 286.**

Inter-Office Correspondence

Tide Water Oil Company
Tidal Pipe Line Company

Subject: Weekly Market Letter No. 3

To: Mr. J. D. Collins **From: J. W. Warner**

Date: January 18, 1936

The Mid-Continent gasoline market picture completely changed this week from the steady level maintained in tank car prices in this territory since June. Also, a general adjustment has been made in the retail price structure, which has remained undisturbed since the same date.

The gasoline market gathered strength immediately after the crude advance that became effective January 9th. At the opening of business this week stronger prices were reflected in published quotations by ⅛¢, and by Thursday published gasoline prices had been hiked ½¢ above last week. The gasoline market today has gained sufficiently in price to offset the added cost of crude oil, according to reports on refinery operations. Some observers had felt this was unlikely, due to this being the dull season of consumer demand.

Inter-refinery buying this week in the various manufacturing areas has been a great help in absorbing gasoline offered, which has prevented any surplus gasoline from hindering the upward price trend of the tank car market.

Tank wagon and service station gasoline price advances throughout the several major marketing territories have been a most important contributing factor in stabilizing refinery prices this week. Magnolia Petroleum Company was the first to announce the advance of one cent in Texas. Oklahoma prices are also up one cent, while the Standard of Indiana, effective January 17th, boosted their postings on all grades of gasoline ½ cent, along with the Standard of Ohio.

This higher retail price in the Indiana territory gives jobbers the same net realization they were making last week, as the cost of their gasoline requirements has also advanced ½ cent. There are still several subnormal points which have caused considerable disturbance for

several months. Marketers hope, however, to see this condition corrected before many weeks.

The jobbers spot market demand for gasoline has remained comparatively dull, as jobbers purchasing material on the open market are apparently not interested in building up their stocks beyond their current requirements. Some refiners report contract gasoline shipments have been moving well, while others report only a fair volume of business.

The kerosene market has shown some improvement in demand the last few days. Prices have been advanced slightly by some refiners. Other grades of zero burning oils are being offered more freely at this time, which is causing prices to be shaded by a few marketers.

5055 Published quotations on the general list of refinery products for today are as follows:

U. S. Motor, Below 62 octane	5¼¢ to 5⅜¢
U. S. Motor, 63-70 octane	6⅛¢ to 6¼¢
U. S. Motor, 71 octane and above	6¼¢
60/62-400, Below 62 octane	5¼¢ to 5⅜¢
60/62-400, 63-70 Octane	6⅛¢ to 6¼¢
60/62-400, 71 Octane and above	6¼¢
68/70-360	5⅜¢ to 5⅝¢
42-44 Kerosene	3⅝¢ to 3⅞¢
41-43 Kerosene	3½¢ to 3¾¢
38-40 P. W. Distillate	3⅜¢ to 3½¢
38-40 L. S. Distillate	3¼¢ to 3⅜¢
32-36 Zero Gas Oil	3¼¢ to 3⅜¢
28-30 Zero Fuel Oil	3¢ to 3⅛¢
Natural Gasoline	3¾¢

Marketers and brokers report their resale buying price today at 4⅞¢ to 5⅛¢ f.o.b. Group 3. Natural gasoline prices are up ¼¢.

Below is a comparison of our finished stocks on hand as of January 1st and January 17th:

	January 1st	January 17th
Tydol Ethyl	40,000	187,000
Hi-Test Tydol	1,880,000	2,260,000
Bronze Leaded	566,000	225,000
60/62-437	819,000	896,000
Tydol Aero	14,000	30,000
Total	3,319,000	3,598,000
Kerosene	53,000	139,000
Distillate	182,000	172,000
Stoddard Solvent	14,000	—
Gas Oil	37,000	139,000
Fuel Oil	2,913,000	3,377,000

Total finished gasoline stocks today are approximately 300,000 gallons over stocks for January 1st. Hi-Test Tydol grade has increased, while the Bronze Leaded grade is off to some extent.

5056 We are showing below a comparison of our shipments with the schedule for the period January 1st to January 16th, inclusive.

	Schedule	Shipments	Percent
Tydol Ethyl	52,000	19,000	36.5
Hi-Test Tydol	2,522,000	2,846,000	112.8
Tidex	169,000	238,000	140.8
Magnolia Ethyl	13,000	13,000	100.0
Magnolia Regular	754,000	1,029,000	136.5
Magnolia Third Grade	130,000	150,000	115.4
Unbranded	260,000	353,000	135.8
Total	3,900,000	4,648,000	119.2
Kerosene	338,000	423,000	125.1
Distillate	494,000	683,000	138.3
Gas Oil	247,000	119,000	48.2
Fuel Oil	—	831,000	—

The total percentage of gasoline shipments to schedule is well over our estimate for this period. Shipments of all products have been moving well due to the advancing market. Branded gasoline shipments equal 3,103,000 gallons so far this month, of which 0.6% is Ethyl, 91.7% is Tydol and 7.7% is Tidex.

JFB/OS J. W. Warner.

5057 **GOVERNMENT EXHIBIT NO. 287.**

Inter-Office Correspondence

Tide Water Oil Company
Tidal Pipe Line Company

Subject: Weekly Market Letter No. 4

To: Mr. J. D. Collins **From: J. W. Warner**

Date: January 25, 1936

The gasoline market in the central region became steady early this week, after the general upward revision in prices last week. Normal routine business has been restored and marketers are now accepting the higher gasoline prices as being firmly established.

Refiners have withheld from offering large quantities of gasoline this week on the open market. They are not attempting to push jobbers for orders or to increase business by offering lower prices to brokers. It is recognized that distributors are not interested in placing large orders at the present time, due to unfavorable weather for gasoline consumption. Travel has been practically paralyzed in several northern states by blizzards the last few days. A report was heard today that one refiner in Louisiana was in urgent need of selling approximately 70 cars of gasoline. We find, however, that this material has not yet disturbed spot quotations, as the refiner in question is hopeful of securing orders from major companies.

Neither are refiners, as a rule, making any attempt to increase gasoline production because of higher gasoline prices, but instead are trying to curb surplus material that might cause the newly established prices to weaken. Reports from East Texas indicate refiners in that area are hard pressed for sufficient crude oil to supply their needs and are now offering premiums for additional crude connections, as they were before the price advance. We find, however, by talking with a very well informed observer of that field, that this is propaganda to a large degree. He further states, however, refiners are paying a small gathering charge, rather than haul the crude, but beyond this there is nothing to the rumor. In fact, he reports that gasoline production in East Texas for December was the lowest during the year.

Inter-refinery gasoline buying is being continued in East Texas. The steady demand created by major companies' active purchasing has kept this field from being a disturbing factor in the Mid-Continent gasoline market. Refiners purchasing in East Texas this week are paying 5⅛¢ f.o.b. refinery for the low octane grade.

The Mid-West kerosene market is reported to be in comparatively good shape. Demand is not strong, but on the other hand there are only a few suppliers now offering material on the open market. The other zero grades of burning oils have had a good play this week, due to record breaking low temperatures.

5058 Improvement in the natural gasoline market has been quite noticeable this week, due to court injunctions being dissolved in the Texas Panhandle. This will automatically cause producers to restrict their production in line with conservation laws.

Published quotations on the general list of refinery products for today are as follows:

U. S. Motor, Below 62 octane	5¼¢ to 5⅜¢
U. S. Motor, 63-70 octane	6⅛¢ to 6¼¢
U. S. Motor, 71 octane and above	6¼¢
60/62-400, Below 62 octane	5¼¢ to 5⅜¢
60/62-400, 63-70 Octane	6⅛¢ to 6¼¢
60/62-400, 71 Octane and above	6¼¢
68/70-360	5⅜¢ to 5⅝¢
42-44 Kerosene	3¾¢ to 3⅞¢
41-43 Kerosene	3½¢ to 3¾¢
38-40 P. W. Distillate	3⅜¢ to 3½¢
38-40 L. S. Distillate	3¼¢ to 3⅜¢
32-36 Zero Gas Oil	3¼¢ to 3⅜¢
28-30 Zero Fuel Oil	3¢ to 3¼¢
Natural Gasoline	4¢

Marketers and brokers report their resale buying price today at 5¢ to 5⅛¢ f.o.b. Group 3. Natural gasoline prices have been advanced ¼¢.

Below is a comparison of our finished stocks on hand as of January 1st and January 24th:

	January 1st	January 24th
Tydol Ethyl	40,000	158,000
Hi-Test Tydol	1,880,000	2,192,000
Bronze Leaded	566,000	411,000
60/62-437	819,000	789,000
Tydol Aero	14,000	42,000
Total	3,319,000	3,592,000
Kerosene	53,000	121,000
Distillate	182,000	172,000
Stoddard Solvent	14,000	—
Gas Oil	37,000	84,000
Fuel Oil	2,913,000	3,233,000

Total finished gasoline stocks today are approximately the same as were reported for last week, and 300,000 gallons higher than January 1st figures.

5059 We are showing below a comparison of our shipments with the schedule for the period January 1st to January 23rd, inclusive:

	Schedule	Shipments	Percent
Tydol Ethyl	76,000	35,000	46.1
Hi-Test Tydol	3,686,000	4,155,000	112.7
Tidex	247,000	336,000	136.0
Magnolia Ethyl	19,000	24,000	126.3
Magnolia Regular	1,092,000	1,426,000	130.6
Magnolia Third Grade	190,000	214,000	112.6
Unbranded	380,000	364,000	95.8
Total	5,690,000	6,554,000	115.2
Kerosene	494,000	562,000	113.8
Distillate	722,000	944,000	130.7
Gas Oil	361,000	424,000	117.4
Fuel Oil	—	1,926,000	—

The total percentage of gasoline shipments to schedule is four points lower than last week. However, the percentage is still well over our estimate. Kerosene, Distillate and Gas Oil shipments have been moving extremely well.

J. W. Warner.

JFB/OS

5060 GOVERNMENT EXHIBIT NO. 291.

(Pencilled notation):

Please
return
to J. D. C.
"E. L. S."

Inter-Office Correspondence

Tide Water Oil Company
Tidal Pipe Line Company

Subject: Weekly Market Letter No. 8.

To: Mr. J. D. Collins From: J. W. Warner

Date February 22, 1936

Severe weather conditions have continued to be the influencing factor on the gasoline market throughout the Mid-Continent territory. Open market trading has been practically nil during the week, and while the majority of refiners have followed the policy of not making any attempt to move spot gasoline in view of the light demand, nevertheless small lots have been available at slightly reduced prices, and as a result published quotations declined today ⅛¢ on both low octane and middle bracket motor gasoline.

In view of the exceptionally slow demand this drop in published quotations was not entirely unexpected, for the reason that only a few odd cars offered on the open market at below the going price could influence published quotations, due to the limited number of open market transactions being made each day. The January advance in published quotations, which was made immediately following the crude advance, has been held exceptionally well in consideration of the low gasoline consuming season.

Refiners in general do not appear uneasy in view of today's drop in quotations, as they do not feel this is an indication that gasoline prices will continue downward. While it is generally believed that the slow gasoline movement has caused the majority of refiners, both large and small, to accumulate surplus gasoline stocks, it is believed that in the majority of cases refiners will refrain from making any great effort to push this surplus material on an open market that will not absorb it without a further reduction in price.

The slow movement on open market gasoline might in some cases become a serious problem with the small refiners from the standpoint of their storage situation, but it is believed that such a situation might exist only with the group of small refiners. With the major group of refiners still following their policy of buying some of their requirements of gasoline from the small independent group, it is the opinion that no serious storage problem will arise, especially to the extent that any large quantity of gasoline will be dumped on the open market, which would result in depressing the price structure.

Contrary to the slow movement of gasoline, refiners have continued to experience a brisk demand for all grades of heating oils, especially the zero material, and as a result published quotations have advances ⅛¢ per gallon on distillate and zero gas oil during the week.

5061 The kerosene market has also continued exceptionally firm, and while the movement has not been anything unusual for this season, all indications point to a continued firm market in view of the low stocks of kerosene, which is possible due to the increased refinery cuts on heating oils during the past several weeks of cold weather.

Published quotations on the general list of refinery products for today are as follows:

U. S. Motor, Below 62 Octane	5¢ to 5⅜¢
U. S. Motor, 63-70 Octane	6¢ to 6¼¢
U. S. Motor, 71 Octane and above	6¼¢
60/62-400, Below 62 Octane	5¢ to 5⅜¢
60/62-400, 63-70 Octane	6¢ to 6¼¢
60/62-400, 71 Octane and above	6¼¢
68/70-360	5⅜¢ to 5⅝¢
42-44 Kerosene	3⅞¢ to 4¢
41-43 Kerosene	3⅝¢ to 3⅞¢
38-40 P. W. Distillate	3⅝¢ to 3¾¢
38-40 L. S. Distillate	3½¢ to 3⅝¢
32-36 Zero Gas Oil	3½¢ to 3⅝¢
28-30 Zero Fuel Oil	3⅛¢ to 3¼¢
Natural Gasoline	3½¢

Due to the slow demand for spot gasoline during the past week brokers have found a wide range in the resale price. They report odd carlots of low octane motor have been offered as low as 4⅝¢, but state the general asking price is 4¾¢ to 4⅞¢. No lower resale conditions have been reported this morning since the decline in published quotations effective today.

Below is a comparison of finished stocks on hand as of February 1st and 21st:

	February 1st	February 21st
Tydol Ethyl	128,000	227,000
Hi-Test Tydol	3,248,000	3,877,000
Bronze Leaded	323,000	497,000
60/62-437	805,000	1,176,000
Tydol Aero	25,000	45,000
Total	4,529,000	5,822,000
Kerosene	115,000	165,000
Distillate	268,000	181,000
Gas Oil	126,000	45,000
Fuel Oil	3,101,000	3,586,000

Due to the slow movement on gasoline during the extremely bad weather conditions in most of our territory, our gasoline stocks have naturally increased. Kerosene stocks show little change, as we have continued to receive a fairly normal movement of this product, and the above figures will show that we have practically no storage supply on distillate and gas oil, since we have been shipping these products as fast as they were manufactured.

5062 We are showing below a comparison of our shipments to our estimated schedule for the period February 1st to 20th, inclusive:

	Schedule	Shipments	Percent
Tydol Ethyl	51,000	49,000	96.1
Hi-Test Tydol	3,689,000	2,688,000	72.9
Tidex	255,000	162,000	63.5
Magnolia Ethyl	17,000	21,000	123.5
Magnolia Regular	1,003,000	842,000	83.9
Magnolia Third Grade	170,000	105,000	61.8
Unbranded	391,000	187,000	47.8
Total	5,576,000	4,054,000	72.7
Kerosene	561,000	509,000	90.7
Distillate	544,000	1,058,000	194.5
Gas Oil	408,000	620,000	152.0
Fuel Oil	—	2,357,000	—

The above figures indicate that our gasoline movement has been considerably below normal this month, due to

weather conditions, but reports during the last few days indicate the weather is moderating in some of our marketing territory. Therefore we might see a movement during the last week of the month which will show an improvement in shipments of this material.

Our shipments on distillate and zero gas oil clearly indicate the big demand we have experienced for heating oils during this month, as you will note we are far ahead of our estimated schedule. However, we still have been unable to ship these grades of material as fast as the orders were received.

J. W. Warner.

ROA/OS

5063 **GOVERNMENT EXHIBIT NO. 292.**

Inter-Office Correspondence

Tide Water Oil Company
Tidal Pipe Line Company

Subject: Weekly Market Letter No. 9.

To: Mr. J. D. Collins **From: J. W. Warner**

Date: February 29, 1936

The Mid-Continent gasoline market has been favored with improved weather conditions this week but nevertheless the tank car price structure has reflected further weakness due to the extremely slow demand for spot material. As a result of the light demand open market traders have not found a ready outlet for their gasoline and published quotations have declined another ⅛¢ on middle bracket motor, however, low octane motor has withstood the pressure to date and published quotations have remained the same as last week.

This week's reduction in the middle bracket grade of motor gasoline has brought the average quotation down to approximately 6¢, which is the contract price basis for majority of jobbers handling a house brand gasoline, and as a result the jobber now has a full 5½¢ gross margin of profit between delivered tank car cost and service station price. While this reduction in published quotations was not encouraging to the refiner, it was no doubt pleasing to the jobber and was viewed from their standpoint as justified for the reason this is the first time in many months that published prices have been down to a level where they had their 5½¢ basic margin as governed by the generally established service station price throughout the Standard of Indiana territory.

In spite of the lower tank car price structure that was established this week refiners do not seem unduly alarmed that there will be any great break in the market. During the latter part of the week there have been indications that the major refiners were actively purchasing new quantities of gasoline from the smaller independent plants, which will reduce the quantity of gasoline that would ordinarily be offered on the present slow open market.

Due to the slow demand for gasoline that has prevailed the past several weeks it is generally known that both the

major and small refiner has surplus gasoline on hand, but only a comparatively small percentage of them seem to be making any great effort to get their material moving, therefore, not any one refining district is considered as being the direct cause for this week's reduction in quotations.

Kerosene has been the most active product in the refinery list during the week, as supplies have been scarce, and 5064 there has been a noticeable increase in inquiries from jobbers as well as from some of the refiners who were short on stock, and as a result quotations on this product have advanced during the week. The market on distillate and zero gas oil has continued to hold comparatively firm, however, there has been a noticeable decrease in shipments due to weather conditions:

Published quotations on the general list of refinery products for today are as follows:

U. S. Motor, Below 62 Octane	5¢ to 5¼¢
U. S. Motor, 63-70 Octane	5⅞¢ to 6¼¢
U. S. Motor, 71 Octane and above	6¼¢
60/62-400, Below 62 Octane	5¢ to 5¼¢
60/62-400, 63-70 Octane	5⅞¢ to 6¼¢
60/62-400, 71 Octane and above	6¼¢
68/70-360	5⅜¢ to 5½¢
42-44 Kerosene	3⅞¢ to 4⅛¢
41-43 Kerosene	3¾¢ to 4¢
38-40 P. W. Distillate	3⅝¢ to 3¾¢
38-40 L. S. Distillate	3½¢ to 3⅝¢
32-36 Zero Gas Oil	3⅜¢ to 3⅝¢
28-30 Zero Fuel Oil	3⅛¢ to 3⅜¢
Natural Gasoline	3¢

Brokers report the resale gasoline market shows practically no change from last week despite the reduction in middle bracket motor prices. Resale quotations on the low octane motor still range from 4¾¢ to 4⅞¢ per gallon except in a few cases where it is possible for them to pick up a few odd cars of distress material from a small refiner who is willing to shade his price to some extent in order to move a few cars.

Below is a comparison of our finished stocks on hand as of February 1st and February 28th:

	February 1st	February 28th
Tydol Ethyl	128,000	224,000
Hi-Test Tydol	3,248,000	4,916,000
Bronze Leaded	323,000	254,000
60/62-437	805,000	1,085,000
Tydol Aero	25,000	28,000
Total	4,529,000	6,507,000
Kerosene	115,000	81,000
Distillate	268,000	219,000
Gas Oil	126,000	22,000
Fuel Oil	3,101,000	3,571,000

5065 Total finished gasoline stocks continue to show an increase and today are approximately 2,000,000 gallons higher than at the beginning of the month, however, we naturally expect an increase in stocks as we enter the heavier gasoline consuming season. Kerosene stock has decreased, as the movement on this product has been exceptionally good for this season of the year. Distillate and zero gas oil stocks have been lowered and will be kept at a low level during the balance of the heating oil season.

We are showing below a comparison of our shipments to our estimated schedule for the period February 1st to 29th, inclusive:

	Schedule	Shipments	Percent
Tydol Ethyl	69,000	66,000	95.7
Hi-Test Tydol	4,991,000	3,606,000	72.3
Tidex	345,000	257,000	74.5
Magnolia Ethyl	23,000	28,000	121.7
Magnolia Regular	1,357,000	1,100,000	81.1
Magnolia Third Grade	230,000	105,000	45.7
Unbranded	529,000	299,000	56.5
Total	7,544,000	5,461,000	72.4
Kerosene	759,000	764,000	100.7
Distillate	736,000	1,415,000	192.3
Gas Oil	552,000	788,000	142.8
Fuel Oil	—	3,217,000	—

Contract gasoline shipments have shown some improvement this week, but the above figures still show that we have moved only 72% of our estimated quantity on total gasoline with Tydol gasoline shipments showing the same percentage of schedule. Due to the steady demand for kerosene our shipments have been up to our estimated schedule, while distillate and gas oil shipments have been far in excess of the quantity we anticipated for the month.

J. W. Warner

ROA:HC

5066 GOVERNMENT EXHIBIT NO. 293.

Inter-Office Correspondence

Tide Water Oil Company
Tidal Pipe Line Company

Subject: Weekly Market Letter No. 10.

To: Mr. J. D. Collins From: J. W. Warner

Date: March 7, 1936

The tank car gasoline market in the Mid-Continent area has shown signs of improvement this week. Published quotations Wednesday regained ⅛¢ of the decline experienced since February 22nd on the second bracket motor gasoline. The low octane grade, however, is still unchanged.

Fair weather and better road conditions throughout large sections of the Middle West are helping to clear the open market of surplus gasoline. Northern buyers who have kept much of their operating capital in heating oil stocks the last six weeks are now beginning to build up their gasoline storage which was allowed to dwindle during this period. All refiners with whom we have talked today report considerable improvement in contract gasoline orders the last day or so.

Refiners seem to be quite optimistic over the present outlook for the month of March. Although it is conceded there is a real need for gasoline orders, manufacturers are not willing to sacrifice prices to move their material. It appears to be the understood policy of share what business there is at established prices, as there is little active soliciting on the part of refiners at this time. Many of the plants that are overloaded with gasoline stocks have cut down on operations to half capacity or are operating periodically until demand freely absorbs the present production.

Several of the major companies which have been currently purchasing odd carlots of surplus gasoline on the open market are reported to have increased their buying to some extent in Oklahoma and North Texas this week. Inter-refinery purchases are believed to be absorbing the greater portion of the surplus gasoline offered on today's market in these districts. The East Texas market is still considered in comparatively good shape. Major companies

have continued to take a large share of the 60/62-400 end point gasoline for shipment to southern points.

Kerosene has been the most active product on the market this week. Published quotations were advanced ¼¢ per gallon. Demand from jobbers has been good, and marketers report they find it difficult to find a source of supply, even at the higher prices. Refiners that are able to make prompt shipment are largely limiting sales to contract customers, because of their low stocks.

Demand for distillate and zero gas oil has slackened to considerable degree.

5067 Published quotations on the general list of refinery products for today are as follows:

U. S. Motor, Below 62 Octane	5¢ to 5¼¢
U. S. Motor, 63-70 Octane	6¢ to 6¼¢
U. S. Motor, 71 Octane and above	6¼¢
60/62-400, below 62 Octane	5¢ to 5¼¢
60/62-400, 63-70 Octane	6¢ to 6¼¢
60/62-400, 71 Octane and above	6¼¢
68/70-360	5¼¢ to 5½¢
42-44 Kerosene	4⅛¢ to 4¼¢
41-43 Kerosene	4¢ to 4¼¢
38-40 P. W. Distillate	3⅝¢ to 3¾¢
38-40 L. S. Distillate	3½¢ to 3⅝¢
32-36 Zero Gas Oil	3⅜¢ to 3⅝¢
28-30 Zero Fuel Oil	3⅛¢ to 3⅜¢
Natural Gasoline	3¢

Brokers report slightly higher resale prices this week. Their buying price on the low octane grade ranges from 4¾¢ to 5¢, f. o. b. Group 3. Natural gasoline prices are unchanged.

Below is a comparison of finished stocks on hand as of February 1st and March 1st:

	February 1st	March 1st
Tydol Ethyl	128,000	216,000
Hi-Test Tydol	3,248,000	4,950,000
Bronze Leaded	323,000	116,000
60/62-437	805,000	1,100,000
Tydol Aero	25,000	18,000
Total	4,529,000	6,400,000
Kerosene	115,000	75,000
Distillate	268,000	242,000
Gas Oil	126,000	35,000
Fuel Oil	3,101,000	3,580,000

Total finished gasoline stocks during February continued to increase, and on March 1st they were approximately 2,000,000 gallons above February 1st figures. Our kerosene stock is still quite low.

5068 We are showing below a comparison of shipments to schedule for the month of February:

	Schedule	Shipments	Percent
Tydol Ethyl	75,000	69,000	92.0
Hi-Test Tydol	5,425,000	3,923,000	72.3
Tidex	375,000	289,000	77.1
Magnolia Ethyl	25,000	28,000	112.0
Magnolia Regular	1,475,000	1,180,000	80.0
Magnolia Third Grade	250,000	132,000	52.8
Unbranded	575,000	355,000	61.7
Total	8,200,000	5,976,000	72.8
Kerosene	825,000	801,000	97.1
Distillate	800,000	1,447,000	181.0
Gas Oil	600,000	820,000	136.7
Fuel Oil	—	3,377,000	—

During the entire month of February we experienced a very slow movement of gasoline. Total shipments equalled only 72.8% of schedule because of the unfavorable weather conditions throughout our marketing territory. Burning and heating oil shipments, on the other hand, were far above our estimate.

J. W. Warner.

JFB:OS

5069 GOVERNMENT EXHIBIT NO. 294.

Inter-Office Correspondence

Tide Water Oil Company

Tidal Pipe Line Company

Subject: Weekly Market Letter No. 11.

To: Mr. J. D. Collins From: J. W. Warner

Date: March 14, 1936

There has been a widespread improvement in the Mid-Western gasoline market during the last ten days. The betterment has not been sensational, but there has been a general firming up of the tank car market in each district, along with a marked showing of increase in retail distribution. Although no changes have been made in published tank car prices this week, quotations are more firmly established today than they were a week ago.

Several of the smaller manufacturers of low octane gasoline are gradually being relieved of some of their surplus material by increased jobber buying and inter-refinery purchases. Fair weather has played an important part in building up market demand since March first. Although reports today from distributors are that retail consumption has been retarded to some extent the last couple of days due to snowstorms and lower temperatures in northern states, refiners indicate that car lot orders have not yet been affected and are still being received in about the same quantities as they were earlier in the week. Marketers in general do not appear uneasy about gasoline movement. They seem to believe prices will at least hold firm in spite of temporary winter weather expected between now and the heavy consuming season.

Refiners in each district are apparently optimistic over the gasoline marketing outlook for the next few months. Refinery stocks are conceded to be quite high at present, but since the large percentage of stocks in storage are held by major companies and companies having ample storage facilities, surplus material is not likely to seriously disturb the open market. In Oklahoma brokers say resale prices below 4¾¢ have disappeared. In East Texas refiners had their output sold by Thursday of this week, which is a very good indication that spot market trading is becoming more active. However, most of the gasoline in that district is still moving south to major company accounts.

Subnormal tank wagon and service station prices at a

few points in the Standard of Indiana territory were advanced this week. The most important was a one cent advance at Milwaukee, which is still one cent subnormal. Marketers are attempting to bring other points into line as quickly as possible.

5070 The kerosene tank car demand continues heavy. Stocks at refineries are very low for this season, as several plants are reported to be running past due on their shipments. Distillate and zero gas oils are in fair demand, but considerably less than they were a few weeks ago. Prices, however, are unchanged from the high levels established for this year.

Published quotations on the general list of refinery products for today are as follows:

U. S. Motor,	Below 62 Octane	5¢ to 5¼¢
U. S. Motor,	63-70 Octane	6¢ to 6¼¢
U. S. Motor,	71 Octane and above	6¼¢
60/62-400,	Below 62 Octane	5¢ to 5¼¢
60/62-400,	63-70 Octane	6¢ to 6¼¢
60/62-400,	71 Octane and above	6¼¢
68/70-360		5¼¢ to 5½¢
42-44 Kerosene		4¼¢ to 4⅜¢
41-43 Kerosene		4⅛¢ to 4¼¢
38-40 P. W. Distillate		3⅝¢ to 3¾¢
38-40 L. S. Distillate		3½¢ to 3⅝¢
32-36 Zero Gas Oil		3⅜¢ to 3⅝¢
28-30 Zero Fuel Oil		3⅛¢ to 3⅜¢
Natural Gasoline		3¢ to 3⅛¢

Marketers and brokers report their buying price today on low octane motor gasoline is from 4¾¢ to 5¢. Natural gasoline prices are unchanged for this week.

Below is a comparison of stocks on hand March 1st and March 13th:

	March 1st	March 13th
Tydol Ethyl	216,000	302,000
Hi-Test Tydol	4,950,000	4,419,000
Bronze Leaded	116,000	64,000
60/62-437	1,100,000	757,000
Tydol Aero	18,000	44,000
Total	6,400,000	5,586,000
Kerosene	75,000	83,000
Distillate	242,000	262,000
Gas Oil	35,000	16,000
Fuel Oil	3,580,000	3,124,000

5071 Total finished gasoline stocks today are approximately 800,000 below March 1st figures. Stocks have not been replenished from unfinished gasolines to the extent of shipments. Our kerosene stock is below what it should be for this season. The Operating Department is apparently doing everything possible to build up kerosene stocks to meet spring demand from our contract customers.

We are showing below a comparison of our shipments to schedule for the period March 1st to March 12th, inclusive:

	Schedule	Shipments	Percent
Tydol Ethyl	40,000	37,000	92.5
Hi-Test Tydol	2,230,000	1,995,000	89.5
Tidex	310,000	266,000	85.8
Magnolia Ethyl	10,000	8,000	80.0
Magnolia Regular	530,000	560,000	105.7
Magnolia Third Grade	100,000	53,000	53.0
Unbranded	220,000	89,000	40.5
Total	3,440,000	3,008,000	87.4
Kerosene	350,000	451,000	128.9
Distillate	190,000	123,000	64.7
Gas Oil	120,000	152,000	126.7
Fuel Oil	1,400,000	—	—

Gasoline shipments have shown favorable improvement so far this month. Our estimate for March was increased over February schedule and the total percentage for March to date is approximately 15% higher than February was at this time of the month. Demand for kerosene from our distributors has been good, as you will notice shipments exceed schedule by 29%.

J. W. Warner.

JFB:OS

(Handwritten Notation):
"Advised JDC"

5072 **GOVERNMENT EXHIBIT NO. 295.**

Inter-Office Correspondence

Tide Water Oil Company
Tidal Pipe Line Company

Subject: Weekly Market Letter No. 13

To: Mr. J. D. Collins From: J. W. Warner

Date: March 28, 1936

The Mid-Continent gasoline market has continued to show a reasonable amount of improvement this week. Refiners since March 1st have been experiencing a gradual firming up of marketing conditions. Although there has been no upward revision in published quotations up to this time, refiners have firmly held to established quotations and today are inclined toward the quoting of higher prices.

There are several apparent reasons for the tightening of the gasoline market. Gasoline orders are on a daily increase from distributors, due to better weather. The low point of gasoline consumption has been passed for the year and manufacturers are optimistic over the near relief of burdensome gasoline stocks.

The stocks of gasoline in storage in various districts are reported to be at the peak. However, there seems to be no threat in this respect to market quotations. It is generally felt since refiners have experienced no difficulty in stabilizing prices during the low season of consumption, markets should make a considerable showing in improvement from now on through the summer months. Inter refinery buying of gasoline for the last several months has been a most important factor in bringing the market around to a firm position for the opening of spring gasoline demand.

Several major companies have continued to purchase a portion of their third grade gasoline requirements. In the East Texas District refiners were virtually out of the spot market by Thursday as most plant operators had sufficient shipping instructions to carry them over until the coming week. North Texas and Oklahoma refiners are holding firm on their resale quotations and are within a close margin of published prices, giving brokers only about ⅛¢ on their sales.

A survey of the Tank Wagon and Service Station markets shows that several key points which have been subnormal for months have been advanced to normal or partially corrected within the last few weeks. Recent informa-

tion shows there is still reason to look for further restorations of normal prices around the Chicago area.

The Kerosene market has reflected continued gains this week. Demand from jobbers has increased to where little material is now available at the low of published quotations. Published prices have been advanced 1/8¢ on all grades. Tractor Fuel is also in good demand, many distributors are supplying the regular 38-40 Distillate for tractor use.

5073 Published quotations on the general list of refinery products for today are as folows:

U. S. Motor,	Below 62 Octane	5¢ to 5¼¢
U. S. Motor,	63-70 Octane	6¢ to 6¼¢
U. S. Motor,	71 Octane and above	6¼¢ to .....
60/62-400,	Below 62 Octane	5¢ to 5¼¢
60/62-400,	63-70 Octane	6¢ to 6¼¢
60/62-400,	71 Octane and above	6¼¢ to .....
68/70-360		5¼¢ to 5½¢
42-44 Kerosene		4⅜¢ to 4½¢
41-43 Kerosene		4¼¢ to 4⅜¢
38-40 P. W. Distillate		3⅝¢ to 3¾¢
38-40 L. S. Distillate		3½¢ to 3⅝¢
32-36 Zero Gas Oil		3⅜¢ to 3⅝¢
28-30 Zero Fuel Oil		3⅛¢ to 3⅜¢
Natural Gasoline		3¢

Resale gasoline prices on the Low Octane Motor grade are reported by brokers to be 4⅞¢ to 5¢ with only occasional cars at 4¾¢ f.o.b. Group 3. Natural Gasoline prices are unchanged.

Below is a comparison of stocks on hand as of March 1st and March 27th.

	March 1st	March 27th
Tydol Ethyl	216,000	261,000
Hi-Test Tydol	4,950,000	3,194,000
Bronze Leaded	116,000	244,000
60/62-437	1,100,000	288,000
Tydol Aero	18,000	—
	6,400,000	3,987,000
Kerosene	75,000	138,000
Distillate	242,000	319,000
Gas Oil	35,000	—
Tractor Fuel	—	139,000
Fuel Oil	3,580,000	2,710,000

Total finished gasoline stocks today are below figures shown for March 1st. Our Kerosene stock position is still quite low.

We are showing below a comparison of shipments with out estimated schedule for the period of March 1st to March 26th, inclusive.

5074

	Schedule	Shipments	Percent
Tydol Ethyl	88,000	67,000	76.1
Hi-Test Tydol	4,906,000	4,403,000	89.7
Tidex	682,000	655,000	96.1
Magnolia Ethyl	22,000	19,000	86.3
Magnolia Regular	1,186,000	1,295,000	109.1
Magnolia Third Grade	220,000	172,000	78.1
Unbranded	484,000	359,000	74.2
Total	7,588,000	6,970,000	91.9
Kerosene	770,000	881,000	114.4
Distillate	418,000	292,000	69.8
Gas Oil	264,000	196,000	74.2
Tractor Fuel	330,000	373,000	113.0
Fuel Oil	—	3,050,000	—

The total percentage of gasoline shipments to schedule as you will notice equals 91.9% where as last week the percentage was 87.5%. We feel with the gradual gain in the movement of gasoline over the last ten days, we should be close to our estimate by the end of March.

J. W. Warner

JFB/JK

5075 GOVERNMENT EXHIBIT NO. 296.

Inter-Office Correspondence

Tide Water Oil Company

Tidal Pipe Line Company

Subject: Weekly Market Letter No. 14

To: N. Y.—Mr. J. D. Collins From: J. W. Warner

Date: April 4, 1936

The gasoline market in the Mid-Continent territory reveals no actual change in price, but has been less active during the week due to unfavorable weather conditions in many parts of the marketing territory. With the return of winter weather in numerous sections of the country the trend toward increased consumption was halted, which retarded trading activities to a noticeable degree, but published quotations have succeeded in holding to their same level.

Market observers have viewed the slow market as only temporary as well as nothing unusual, therefore express no fear of any general break in tank car gasoline prices. In view of the good showing made in maintaining a firm market during the recent long period of light demand, refiners do not anticipate any unfavorable reaction to the market at present, but instead feel it will soon resume a firm position as consumption again starts to increase.

While much comment can be heard on the subject of heavy gasoline stocks, it is the general belief the bulk of same is in the hands of major companies who are in a position to carry same. The small refiners are not considered as in a burdened position on stock since major company purchases continue to be placed in practically all districts where gasoline stocks are excessive. East Texas refiners are reported as practically out of the Northern Market and Oklahoma and North Texas refiners have not indicated any distress.

With kerosene stocks still below normal for the season of the year, quotations continue to show a tendency to strengthen. Tractor fuels have also been in active demand as jobbers prepare for the farming season to open. The recent cold period brought heating oil back into the limelight and buyers have been actively seeking supplies to tide them over with the result quotations have been exceptionally firm.

Published quotations on the general list of refinery products for today are as follows:

U. S. Motor, below 62 Octane	5¢ to 5¼¢
U. S. Motor, 63-70 Octane	6¢ to 6¼¢
U. S. Motor, 71 Octane and above	6¼¢ to —
5076 60/62-400, below 62 Octane	5¢ to 5¼¢
60/62-400, 63-70 Octane	6¢ to 6¼¢
60/62-400, 71 Octane and above	6¼¢ to —
68/70-360	5¼¢ to 5½¢
42/44 Kerosene	4⅜¢ to 4⅝¢
41/43 Kerosene	4¼¢ to 4½¢
38/40 P. W. Distillate	3⅝¢ to 3⅞¢
38/40 L. S. Distillate	3½¢ to 3¾¢
32/36 Zero Gas Oil	3⅜¢ to 3⅝¢
28/30 Zero Fuel Oil	3⅛¢ to 3⅜¢
Natural Gasoline	3¢

Resale gasoline prices remain practically unchanged from last week. Brokers report 4⅞¢ is the general quotation being asked by refiners on low octane motor gasoline for resale.

Below is a comparison of our stocks on hand as of March 1st and April 1st:

	March 1st	April 1st
Tydol Ethyl	216,000	234,000
Hi-Test Tydol	4,950,000	3,254,000
Bronze Leaded	116,000	198,000
60/62-437	1,100,000	298,000
Tydol Aero	18,000	24,000
Total	6,400,000	4,008,000
Kerosene	75,000	166,000
Distillate	242,000	242,000
Gas Oil	35,000	—
Tractor Fuel	—	136,000
Fuel Oil	3,580,000	2,696,000

Total finished gasoline stocks at the beginning of this month are considerably less than they were on March 1st. We have been able to lower heavy fuel oil stocks approximately 800,000 during the month.

We are showing below a comparison of shipments with our estimated schedule for the month of March, 1936:

5077

	Schedule	Shipments	Percent
Tydol Ethyl	104,000	77,000	74.0
Hi-Test Tydol	5,798,000	5,529,000	95.4
Tidex	806,000	816,000	101.2
Magnolia Ethyl	26,000	35,000	134.3
Magnolia Regular	1,378,000	1,509,000	109.5
Magnolia Third Grade	260,000	180,000	69.2
Unbranded	572,000	409,000	71.5
Total	8,944,000	8,555,000	95.7
Kerosene	910,000	1,026,000	112.7
Distillate	494,000	398,000	80.6
Gas Oil	312,000	196,000	62.8
Tractor Fuel	390,000	503,000	129.0
Fuel Oil	—	3,559,000	

Gasoline shipments the last few days of March were on a gradual increase thereby increasing the total percentage of shipments to schedule to 95.7% at the end of March, while the first twelve days of the month the percentage was only 87.4%. The total branded gasoline shipments for March equalled 6,422,000 gallons of which 1% was Ethyl, 86% Tydol and 13% Tidex.

J. W. Warner

ROA:HC

5081 **DEFENSE EXHIBIT NO. 305.**

New York, N. Y.
March 12, 1935.

Mr. L. L. Marcell,
St. Louis, Missouri.

Dear Mr. Marcell:

I am very glad to have your note of the 12th. I heard that Mrs. Marcell and you had made a trip to Mexico City and I quite envied you as it is I know a delightful place and quite worth visiting. I sincerely trust you had a nice holiday and also some rest.

Our meeting in Kansas City was quite interesting and in some respects unique. It was necessary to clear the way and have some definite understanding with many of the individual companies as to what they were going to do, i. e., whether they were going to work constructively and cooperatively and support the efforts that were being made to eliminate bad practices and follow the leadership of the major companies. Mr. Irwin probably gave you full particulars. Each company present agreed to join in our efforts and also to support the Executive Committee of their own choosing who will sit in our major group meetings representing independent refiners. In this way we will have one group and I think will be able to move forward even more definitely and constructively than we have in the past where this group was depending on Messrs. O'Shaughnessy and Majewski to keep them informed and to represent them.

There has been considerable development in regard to "homeless" or surplus gasoline coming from the three main independent refinery centers, i. e., East Texas, Gulf, and Mid-continent. I have been devoting a great deal of time to this, especially to the Texas end of it, and definite progress has been made which is already reflecting itself in the attitude of these groups which are cooperating in an outstanding way.

I spent all day yesterday with the Allocating Committee in Washington so as to acquaint them with full details and have a check on the figures on the allocation of these particular refiners so that the program we are working on would not in some way show later that these refiners were not standing by their promises. The outlook is good and if we can hold it together, as I think we can, there ought to be a real improvement in the tank car refinery price.

Yours very truly,
C. E. Arnott

5082 GOVERNMENT EXHIBIT NO. 306.

Mr. C. E. Arnott March 27, 1935
Socony-Vacuum Oil Company, Inc.
26 Broadway
New York, N. Y.

Dear Mr. Arnott:

Last week we had all of our district sales managers throughout our territory in a meeting here at Kansas City. I had quite a conference with them about prices, and they had practically no complaint about gasoline prices, except in the territory where there was trouble with the elevators. I do not remember when we had a meeting like this, where there was so little complaint about competitive prices on gasoline; so it shows that the market is quite well stabilized on this product.

They complained a great deal about competitors selling Power Distillate and Kerosene at cut prices. Both of these products are sold in large quantities for tractor use. They seemed to think that nearly all of these lower prices were made by distributors supplied by the Class B refiners. They stated that the Stabilization Committees in the different states were working on the problem but as I understood it, they were not succeeding very well in stopping it to any great extent.

Our people reported very substantial sales in tractors, especially in North and South Dakota, stating that the tractor companies have had no such volume of sales for several years as they are having this year. Some place in North Dakota, a tractor agency sold fifty tractors in one day—and they say they are collecting cash for them. I think this will mean increased consumption in our territory.

It is almost too good to believe, the way tank car gasoline prices have been acting lately. Our 3rd grade price to jobbers is now 4⅛¢, which is up almost a cent from low point a few weeks ago. Mobilgas grade is strong at 4⅞¢. The present prices are just about cost of manufacture by our plants; so if these prices can be strengthened a half-cent per gallon additional, it will mean quite a substantial profit for us. The set margin of 5½¢ will not let our Marketing Department make any profit; but if we can collect this full 5½¢ margin, I believe the department will just about break even; therefore, if we can collect a profit on refinery sales, it will be a satisfactory showing.

LLM:k Yours very truly,

NOTE: *It is stipulated* in Exhibit 727 that this was written by L. L. Marcell manager of the White Eagle Division of Socony-Vacuum Oil Company Inc. and received by C. E. Arnott.

5083 **GOVERNMENT EXHIBIT NO. 311.**

March 12, 1935

Mr. C. E. Arnott
Socony-Vacuum Oil Company, Inc.
26 Broadway
New York, N. Y.

Dear Mr. Arnott:

Mrs. Marcell and I just returned from a two-weeks' vacation trip to the City of Mexico; and if you and Mrs. Arnott have not already taken this trip, I suggest that you do so, as I think you will find Mexico as interesting a foreign country as you have ever been in. You can very conveniently go by boat from New York, which is much better than the long train ride we have.

On returning to my office, I find that you had a meeting here in Kansas City of the Mid-Continent refiners' group on March 1st; and I am sorry indeed that I happened to be away. Mr. Irwin reported that you had a very interesting meeting, and I believe the accomplishment was also quite good.

Mr. Arnott, I had a conference with our Marketing people yesterday about retail prices throughout our territory, and they reported that they are holding remarkably well, so this stabilization program has stood the test of the weak tank car price, and I believe we are over the worst of the winter season condition. The buying program seems to be stimulating the gasoline tank car price, and the outlook is more hopeful than it was two weeks ago when I left for Mexico City.

Yours very truly,

LLM:k

NOTE: *It is stipulated* in Exhibit 727 that this was written by L. L. Marcell manager of the White Eagle Division of Socony-Vacuum Oil Company Inc. and received by C. E. Arnott.

5084 **GOVERNMENT EXHIBIT NO. 316.**

Letterhead of Tide Water Oil Company
Tulsa, Oklahoma

August 22, 1935.

Mr. R. N. Cline,
301 So. Beckham St.,
Tyler, Texas.

Dear Sir:

Our inspector at Houston reports that on August 19th he unloaded NATX 3764 which was shipped by Texas Oil Products Co. and that the quality was not satisfactory and should have rightfully been rejected. The corrosion test on same was slightly off, the color was only plus 26, and the five hour sunlight color stability test showed only plus 17.

Will you please again caution all refiners shipping gasoline for our account that they should be very careful about their color specification. After these many warnings we might find it necessary to reject their shipments if they are not up to specification as to color.

Very truly yours,
Tide Water Oil Company
R. O. Audrain
Sales Department

(Handwritten Notation):
"O. K."

5085 GOVERNMENT EXHIBIT NO. 317.

Letterhead of Tide Water Oil Company
Tulsa, Oklahoma

Mr. R. N. Cline,
301 South Beckham St.,
Tyler, Texas.

August 12, 1935.

Dear Sir:

This will refer to our telephone conversation of today regarding a car of gasoline, SHPX 11195 received from Texas Oil Products Company, which did not meet our color specification. You advised the shipper would make a price adjustment if we would accept the car.

In line with the adjusted price of ⅛¢ per gallon as agreed upon, when the invoice covering this shipment is received we will reduce the price ⅛¢ per gallon and remit for same on the basis of the revised price.

Very truly yours,
Tide Water Oil Company
R. O. Audrain
Sales Department

5086 GOVERNMENT EXHIBIT NO. 318.

Letterhead of Tide Water Oil Company
Tulsa, Oklahoma

Mr. R. N. Cline,
301 So. Beckham St.,
Tyler, Texas.

August 12, 1935.

Dear Sir:

This will refer to our telephone conversation of today regarding a car of gasoline, PTX 3470, received from the Century Refining Co., Overton, Texas, which did not meet our color specification. You advised the shipper would make a price adjustment if we would accept the car.

In line with the adjusted price of ⅛¢ per gallon as agreed upon, when the invoice covering this shipment is received we will reduce the price ⅛¢ per gallon and remit for same on the basis of the revised price.

Very truly yours,
Tide Water Oil Company
R. O. Audrain
Sales Department

5087 GOVERNMENT EXHIBIT NO. 319.

Letterhead of Tide Water Oil Company
Tulsa, Oklahoma

August 8, 1935.

Mr. R. N. Cline,
301 South Beckham St.,
Tyler, Texas.

Dear Sir:

This will confirm my conversation with you today when I advised that we have rejected another car of gasoline shipped by the Premier Refining Company in NATX 1961 on account of the color stability being only plus 15.

This will make four cars rejected out of our recent five car purchase from Premier, and we wish to have that number of cars cancelled off of the purchase, as we do not desire to have them replace the shipments due to the present color of their gasoline.

Please advise us promptly the name of the refiner that you will place our order with to replace these four cars and we will forward them a purchase order to cover same.

Very truly yours,
Tide Water Oil Company
R. O. Audrain
Sales Department

5088 GOVERNMENT EXHIBIT NO. 320.

Telegram

Tulsa, Oklahoma
July 31, 1935

R. D. Klein
301 South Beckham St.
Tyler, Texas

Wabash shipped two cars twenty seventh and eighth having vapor pressure ten point eight and ten point five respectively Stop Wired them were debiting their account one quarter cent per gallon and not to ship any material in excess of eight point five pounds vapor pressure Stop This is entirely out of line and we cannot handle any more material of this kind at any price

Pure Oil Co. Chamberlin

5089 **GOVERNMENT EXHIBIT NO. 321.**

Telegram

Tulsa, Oklahoma
August 6, 1935

R. D. Klein
301 South Beckham St
Tyler, Texas

Quote wire to Wabash Quote AGCX ten ninety three received ten point six vapor pressure CADX nine thousand received ten point eight both shipped first Stop Debiting your account one quarter cent per gallon Stop Placed instructions for ten cars shipment this week however please do not ship material until you can meet our purchase requirements acknowledging unquote.

Pure Oil Company Chamberlin

5090 GOVERNMENT EXHIBIT NO. 327.

Letterhead of The Pure Oil Company
Tulsa, Oklahoma

Mr. R. D. Klein, June 29, 1935
301 S. Beckham St.,
Tyler, Texas.

Dear Mr. Klein:

I appreciate the troubles which confront you, but the manner in which Grogan and Chief are handling our shipments continue "a pain in the neck."

For example, on the 27th of this month Grogan shipped eleven cars and Chief five, totalling sixteen cars, whereas our handling capacity at Smiths Bluff is five cars per day. This morning, I wired Kosteika, collect, that any demurrage or handling expense resulting from shipment at their convenience and not on dates specified, must be absorbed by them.

In addition to this, both Chief and Grogan and an occasional car from Wabash does not meet the specifications of our purchase order. I am not so sure, Bob, but what assessment of some penalty for failure to follow our instructions as to specifications and shipping dates, would be more effective than continuing registration of our complaints. However, before taking this action, would appreciate an expression from you. We don't want to do anything to upset the apple cart or work an undue hardship on you but we are getting "damned" tired of the negligence and indifference exhibited by these refiners.

Yours very truly,
D. K. Chamberlin

5091 GOVERNMENT EXHIBIT NO. 329.

December 16, 1935

Grogan Oil Company,
Shreveport, La.

Gentlemen: Att.: Mr. W. F. Kostelka

Acknowledge receipt of copy of your letter to Mr. Cline, under date of December 11th, regarding deduction of ¼¢ per gallon on five cars received with high vapor pressure.

At the time I discussed this matter with you, it was my opinion that we could blow the cars and reduce the vapor pressure to the maximum, cheaper than ¼¢ per gallon. At that time, you advised me to handle in the cheapest possible manner. The plant superintendent definitely refused to blow cars, stating if we could not secure a satisfactory adjustment to turn them down as he would rather not handle the material at ½¢ per gallon concession, out that he would handle these cars with the distinct understanding that any cars higher than 10½ pounds vapor pressure, received in the future be rejected for supplier's disposition. His opinion and that of our superintendent at Muskogee was to reduce to the prescribed vapor pressure would entail a loss between 7% and 10%. Gasoline purchased cost us .05615 delivered Smiths Bluff. Taking the minimum estimate of 7% would cost in the neighborhood of .4% per gallon to reduce to required vapor pressure.

I have been in "hot water" all summer due to the fact that your plant shipped material which does not meet specifications covered by our purchase orders and as a result continual embarrassment and friction is encountered when soothing the various departments. Frankly, I feel that the Manufacturing Department has been very lenient in their demands for adjustment on material failing to meet specifications as our losses have been greater than that covered by the adjustments and we would much rather reject the material than accept on the basis of previous adjustments.

The vapor pressure of the five cars in question was so much higher than our limitations that there was no excuse for your plant shipping for our account unless they utterly disregarded our specifications or rank carelessness—and I do not believe that you in all fairness expect us to absorb the expense of your refinery's mistakes.

Yours very truly,
D. K. Chamberlin

cc: Mr. R. D. Cline
Tyler, Texas

5092 **DEFENSE EXHIBIT NO. 331**

(Telegram from C. E. Arnott to H. W. Dodge, The Texas Company, March 14, 1935.)

(Identical with Government Exhibit 17.)

5093 **DEFENSE EXHIBIT NO. 332.**

Telegram

New York, N. Y.
March 14, 1935

H. W. Dodge
The Texas Co.

Retel Friday meeting will be two oclock instead of ten oclock.

C. E. Arnott

5094 **GOVERNMENT EXHIBIT NO. 334.**

Telegram

Milwaukee
October 11, 1935.

Mr. J. H. Romer
Socony Vacuum Oil Company Inc.
26 Broadway
New York, N. Y.

After full discussion with Tulsa regarding necessary stabilization purchases and with refinery running ahead of time promising to get into full production earlier than anticipated and with our decreased sales of metro and gasoline generally during winter months it will be necessary to notify Magnolia and Empire by October fifteenth of cancellation of exchange basis to be effective December fifteenth Stop Trust you can arrange exchange elswhere.

A. G. Maguire

CC W. P. Jacobi and Bryan S. Reid.

5095 **GOVERNMENT EXHIBIT NO. 335.**

February 13, 1936.

Mr. Geo. A. Booth,
Socony-Vacuum Oil Company, Inc.,
59 East Van Buren Street,
Chicago, Illinois.

Dear Mr. Booth:—

Your letter of the 11th to Mr. Schuder has been handed to the writer.

What we really had in mind was that we might occasionally need a few cars for certain trade who last summer and fall objected and refused nondescript material from East Texas and demanded Empire's. We thought rather than go out and purchase a car or two occasionally at the open market, we could work it through the exchange.

We quite agree with Mr. Reid that the understanding of our Company policy is to place all Metro purchases through Mr. Jacobi, and we have been doing so for many months. In fact, we have seventy-five cars of Metro now, overstock, that we must take in and which we have no use for at the present time.

Yours very truly,

Vice President.

McN/FS

cc Mr. Bryan S. Reid

(Handwritten Notation):

"F. E. S. Note & file
with exchange letters"

NOTE: *It is stipulated* **in Exhibit 727 that this was written by Louis McNally vice president of Wadhams Oil Company and received by George A. Booth.**

5096 GOVERNMENT EXHIBIT NO. 336.

Letterhead of Socony-Vacuum Oil Company
Chicago, Ill.

February 11th, 1936

Mr. F. E. Scuder
Wadhams Oil Company
907 So. First Street
Milwaukee, Wisconsin

Dear Mr. Scuder:

When you were recently in Chicago, in connection with the Magnolia Empire Exchange, you spoke to me about the possibility of your needing from four to five cars of Metro per month and inquired as to whether we would be agreeable to furnishing this from the Empire Magnolia Exchange.

I have discussed this with Mr. Reid and he advised me that it was his understanding that the company policy in this connection was that such orders should be placed through Mr. Jacobi at Tulsa and taken from the excess in the Mid-Continent Field.

Very truly yours,
G. A. Booth

(Handwritten Notations):
"Mr. McNally"
"Copy to B.S.R."
"Just a few cars for certain trade who object to 'nondescript' EaTex and demanded Empire. We have 75 cars Metro overstock."

5097 **GOVERNMENT EXHIBIT NO. 337.**

Fort Worth, Texas
February 27, 1936

Gilliland Refining Company
Overton, Texas

Attention Mr. H. B. May File: RW.

Gentlemen:

We have received your letter of the 25th and we wish to advise that the purchases you have made from us have not gone unnoticed. As a matter of fact, we endeavored to purchase most of our East Texas Gasoline from your company while you were operating at Gladewater on Federal tenders. We are not in a position to purchase gasoline unless it does carry both a Federal and State tender and for some time you were not manufacturing this product at Gladewater.

If you are now handling Federal material at Gladewater, we would be more than glad to place our orders with you. As you know, we have received gasoline from many East Texas refineries but we believe that the relationship we have enjoyed with your refinery, both from the standpoint of reciprocal business and satisfactory products, has more than surpassed any of the others.

5098 You understand, of course, that under the present set-up, it is necessary that we contact Mr. Cline in Tyler before purchases are made, but he always gives us the privilege of purchasing from the company we had rather do business with you. If you will inform us whether or not you now have a Federal tender material at Gladewater, we will be more than pleased to place requisitions with your company. We had understood all along that you had Federal material at Overton but all of our stations with one or two exceptions, enjoy a freight savings out of Gladewater as compared to Overton.

We will be purchasing some gasoline within the next few days and will give you a ring before we commit ourselves to any other refiner.

We again wish to thank you for the business you have given us and just want you to know that we are ready to

place instructions with your refinery if you can meet all of our requirements.

Yours very truly,
P. W. Riggins
Division Manager.
By R. W.

NOTE: *It is stipulated* in Exhibit 745 that this was written by Ray Williamson in the office of P. W. Riggins an employee of Continental Oil Company and sent to H. B. May.

5099 GOVERNMENT EXHIBIT NO. 338.

Letterhead of Gilliland Refining Company
Overton, Texas

February 28, 1936

Mr. Ray Williamson,
Continental Oil Company,
Fort Worth, Texas.

Dear Mr. Williamson:

File: RW 2-27-36

We surely appreciate the quick action and the kind remarks with regard to our products. We hope we shall be able to live up to our reputation.

It is certainly all right to have the orders come thru Mr. Cline or with his advice.

Thanking you again, I am

Cordially yours,

H. B. May

5100 **GOVERNMENT EXHIBIT NO. 339.**

Letterhead of Mid-Continent Petroleum Corporation, Tulsa, Okla.

April 17, 1935

Mr. C. S. Smith, Vice President,
National Refining Company,
Cleveland, Ohio.

Dear Charlie:—

I received in today's mail a letter from Harry Kuegler with reference to the possibility of buying some Q gasoline from us, and I have advised him that we would be unable to sell you anything due to decreased allocations, etc., which are forcing us to purchase currently, but that I believe I can help him find a satisfactory source.

What I really have in mind is this—If you people are going to buy I should like to make some suggestions as to where you buy, so that it may be used to help the market. In fact, I have been thinking about writing you for the past week, soliciting your support to the extent of some regular buying of either Q or third grade, or both. You are conversant with the stabilization efforts that some of us are making along these lines and it just seems to me that the National Refining Company should be willing to contribute a little because you are benefitting by the general improvement that has resulted from our efforts to date. At your convenience I would like to have your reaction to this.

With best personal regards I am

Sincerely yours,

Bob
Vice President

(Handwritten Notation):
"HWK—See me. C.S.S."

5101 GOVERNMENT EXHIBIT NO. 345.

Telegram

April 1, 1935

W A T
FW

Telegraph exact number cars you have purchased East Texas for our own stations and shipment to Houston Assume situation East Texas for this week will require our purchasing additional fifty to seventy-five cars for movement to Houston Telegraph your views

J W C

NOTE: *It is stipulated* in Exhibit 731 that this was written by J. W. Carnes, addressed to W. A. Tracey, bulk sales manager, Sinclair Refining Company, Fort Worth, Texas and received at his office.

5102 GOVERNMENT EXHIBIT NO. 346.

Telegram

New York
March 30, 1935

W. A. T. Ft. Worth
J. V. D. Kansas City

Retel O. K. purchase total seventy five cars April from Panhandle and Omar sending fifty cars to Western District buying from week to week.

J. W. C.

McD

(Handwritten Notations):

"Gaso Purch Texas"
"RLA" "JWC"

NOTE: *It is stipulated* in Exhibit 731 that this was written by D. A. McDougald, a clerk in the office of J. W. Carnes and received at the Sinclair Refining Company offices of W. A. Tracey in Fort Worth, Texas and J. V. Dippel in Kansas City, Mo.

5103 GOVERNMENT EXHIBIT NO. 347.

Teletype

Fort Worth
March 29, 1935

JWC
NY

Price for first week April from North Texas and Oklahoma will be four cents for USM and 4⅞ cents HC shall we prepare for fifty cars from Omar and twenty five from Panhandle throughout April on basis 19 instructions weekly Southwestern District can take 25 HC from Panhandle can Western District take fifty

WAT

(Handwritten Notation):

identical with message in Exhibit 346, to "W. A. Tracey CC J. V. Dippell," signed "J. W. Carnes."

NOTE: *It is stipulated* in Exhibit 731 that this was written by W. A. Tracey or F. M. Boettner or A. H. Blocker and was received in the office of J. W. Carnes, General Sales Manager, Sinclair Refining Company, New York, N. Y.

5104 GOVERNMENT EXHIBIT NO. 350.

Teletype

Fort Worth
March 16, 1935

JWC
NY

Retel have now purchased 30 cars from Omar and 10 from Panhandle with instructions up to 22nd making total 40 cars and have 35 more to buy over last week March Stop Omar needs approximately 15 more instructions between 15th and 22nd shall we buy for Western District Joint JVD JWC

WAT

(Handwritten Notation):

"Yes. J.V.D."

NOTE: *It is stipulated* in Exhibit 731 that this was written by W. A. Tracey or F. M. Boettner or A. H. Blocker and was received in the office of J. W. Carnes, General Sales Manager, Sinclair Refining Co., New York, N. Y.

5105 GOVERNMENT EXHIBIT NO. 351.

Telegram

March 16, 1935

W A Tracey
Fort Worth Texas

We expect to purchase a total of 50 cars from Omar and 25 cars from Panhandle over a period of 30 days assume from your telegram yesterday we have purchased either a total of 40 or 45 cars so far is there anything new on the East Texas situation

J W C

NOTE: *It is stipulated* in Exhibit 731 that this was written by J. W. Carnes and was received in the office of W. A. Tracey, Sinclair Refining Co., Fort Worth, Texas.

5106 GOVERNMENT EXHIBIT NO. 352.

Telegram

March 18, 1935

WAT
FW

Copy J V D—KC

Retel Satisfactory make purchase from Omar as outlined

JWC

(Handwritten Initials):
"R.L.A."

NOTE: *It is stipulated* in Exhibit 731 that this was written by J. W. Carnes and was received in the office of W. A. Tracey, Sinclair Refining Company, Fort Worth, Texas.

5107 GOVERNMENT EXHIBIT NO. 353.

Teletype

Fort Worth
March 22, 1935

JWC
NY

Cline could only get forty cars 400 end point 3⅞ on Federal Tender believe other buyers must pay four cents for remaining 245 cars to be shipped next week if Gilliland, South Port, Lone Star, Utah and Tireco Refineries can get Federal Tender unless you authorize do not think it necessary purchase remaining 10 cars I am positive no East Texas gasoline now moving north through brokers Stop On Monday will give instructions to Omar twenty cars HC for Western District and 10 more for Panhandle Southwestern District making 90 cars in March increasing your original 75 car authority by 15 account additional help needed by Omar your authority March 18th

WAT

NOTE: *It is stipulated* in Exhibit 731 that this was written by W. A. Tracey or F. M. Boettner or A. H. Blocker and was received in the office of J. W. Carnes, General Sales Manager, Sinclair Refining Company, New York, N. Y.

5108 GOVERNMENT EXHIBIT NO. 356.

Teletype

Fort Worth
March 26, 1935

JWC
HHF
NY

Believe will have further advance of ⅛ cent in U S M market next 48 hours situation tight in East Texas and the group kerosene not responding and weak at 3⅜ joint JWC HHF JVD

WAT

NOTE: *It is stipulated* in Exhibit 731 that this was written by W. A. Tracey or F. M. Boettner or A. H. Blocker and was received at the offices of J. W. Carnes and H. H. Fuller, Sinclair Refining Company, New York, N. Y.

5109 GOVERNMENT EXHIBIT NO. 358.

Teletype

Fort Worth
May 7, 1935

JWC
NY

Cline reports immediate relief needed 25 to 40 cars East Texas account few more refineries running price 43/8 cents mostly loaded in sellers cars

WTD Tracey

NOTE: *It is stipulated* in Exhibit 731 that this was written by W. A. Tracey or F. M. Boettner or A. H. Blocker and was received in the office of J. W. Carnes, General Sales Manager, Sinclair Refining Company, New York, N. Y.

5110 GOVERNMENT EXHIBIT NO. 359.

Teletype

Fort Worth
June 13, 1935

JWC
NY Rush Rush

Buckley advises total need East Tex present week was cars 277 of which cars 173 placed leaving need additional cars 104 Pittsburg placed orders cars eighteen Dodge orders cars ten can you stir either of them up for immediate action

WAT

(Handwritten Notation):
"Dodge" "Hartmann"

NOTE: *It is stipulated* in Exhibit 731 that this was written by W. A. Tracey or F. M. Boettner or A. H. Blocker and was received in the office of J. W. Carnes, General Sales Manager, Sinclair Refining Company, New York, N. Y.

5111 GOVERNMENT EXHIBIT NO. 360.

Teletype

Fort Worth
February 13, 1936

JWC
NY

East Texas had four hundred five cars surplus Monday including our twenty five bought today surplus now one forty five cars Stop Buckley says Ray Parker in Houston trying to buy the surplus at four and one quarter which believe impossible Stop Parker probably got this idea from Benny Brown Stop Twenty five to fifty more at four and three quarters this week would relieve situation until Monday and approximately same amount would be looked for next week

WAT

NOTE: *It is stipulated* in Exhibit 731 that this was written by W. A. Tracey or F. M. Boettner or A. H. Blocker and was received in the office of J. W. Carnes, General Sales Manager, Sinclair Refining Company, New York, N. Y.

5112 GOVERNMENT EXHIBIT NO. 362.

Teletype

Fort Worth
April 2, 1935

JWC
NY

Reference purchases East Texas Buckley advises you agreeable purchasing sellers equipment twenty five cars advise if satisfactory to authorize shipment fifteen cars due on orders for Houston in sellers cars also if desire purchase additional this basis for Houston. Sus advises will require 8 cars latter part this week and 25 cars next week please advise

WAT

(Handwritten Initials):
"R. L. A."

NOTE: *It is stipulated* in Exhibit 731 that this was written by W. A. Tracey or F. M. Boettner or A. H. Blocker and was received in the office of J. W. Carnes, General Sales Manager, Sinclair Refining Company, New York, N. Y.

5113 GOVERNMENT EXHIBIT NO. 365.

Teletype

Fort Worth
April 4, 1935

JWC
NY Spl Rush

Price still firm 4 cents East Texas in checking with Cline this morning find no other companies have come in with orders Pure still taking their five cars daily but no definite commitment Humble Tidal Phillips havent placed any orders Sus advises will have to send cars from Chicago territory therefore asks we make his purchase basis requirements three cars a day beginning when cars can be available and arranging accordingly will apply against the fifty car purchase in buyers cars for Houston in event all arent moved prior to time central district cars available

WAT

NOTE: *It is stipulated* in Exhibit 731 that this was written by W. A. Tracey or F. M. Boettner or A. H. Blocker and was received in the office of J. W. Carnes, General Sales Manager, Sinclair Refining Company, New York, N. Y.

5114 GOVERNMENT EXHIBIT NO. 369.

Telegram

Birmingham, Ala.
April 7, 1935

Jack Carnes
New York

Have today reviewed situation with Buckley necessary you he and I go over program together and do some planning advise you bring your records with you and be prepared to go into matter at Atlanta Thursday following our Wednesday meeting there telegraph Biltmore Hotel Atlanta

C. E. Arnott

5115 GOVERNMENT EXHIBIT NO. 370.

Telegram

April 8, 1935

J W Carnes
care Koontz
Charlotte N. C.

Arnott wires necessary you he Buckley go over program together do some planning suggests you bring your records with you be prepared go into matter Atlanta Thursday stop Have statement from Tracey giving resume March 22 to date Sending tonights mail Shall I send balance file

K C W

NOTE: *It is stipulated* in Exhibit 731 that this was written by Miss K. C. Wells, Secretary to J. W. Carnes, and received by J. W. Carnes.

5116 GOVERNMENT EXHIBIT NO. 376.

Exhibit "C"

A committee at a previous Stabilization Meeting had been appointed of which Mr. Bob McDowell was Chairman to consider ways and means of establishing and maintaining an active and strong tank car market on gasoline.

This committee rendered a report to the effect that a movement is under way which will take the East Texas surplus gasoline off the market so that it will not be a disturbing influence in the Standard of Indiana territory. It was stated that this East Texas gasoline would move to the Gulf and then go to either the East Coast or for export.

A survey by the committee then indicated that the surplus gasoline, which would affect the Standard of Indiana territory only, amounted to 600 cars per month involving fifteen refining companies.

A report is attached which lists the refineries in the Mid-Continent Field who will have surplus gasoline. This report shows their capacity, their crude runs, their allocation, etc.

The program of the committee involves fourteen major companies, each selecting one or more of these fifteen small refining companies, and the major company obligating itself to take whatever surplus gasoline this small refining unit will have from time to time. In other words, a major company would select from among the fifteen small refineries some company whose surplus or distress gasoline it could advantageously move, and in that way by dividing up these fifteen companies and these estimated 600 cars per month of distress gasoline no great burden would fall upon anyone.

A steering committee would guide and control, periodically the prices to be paid for this surplus gasoline by the major company to the small refinery. There was considerable discussion to the effect that this new program had more chance of success than any previous program because of the way the steering committee would function and the fact they would be buying on an ascending market, thereby keeping the market both active and strong, rather than buying on a descending market as previous buying movements had been and which previous movements had failed of any substantial success.

5117 It was estimated that the absorption of these 600 cars per month by fourteen major refiners would only be equivalent to curtailing their own crude runs 2%. In other words, it was intended to point out that the absorption of this gasoline by a major would not seriously affect that major's own runs.

Each purchase of a car, from time to time, by these majors of this distress gasoline, would be recorded in the Journal of Commerce as an individual sale, and the number of these sales recorded would indicate an active market, and buying on an ascending market would tend to create a strong market.

The meeting in question was attended by all of the major companies, including such companies as Globe, Skelly, Mid-Continent, etc., all of whom indicated a willingness to select one of the companies shown on the attached statement and assume responsibility for their surplus.

The writer had no knowledge and did not participate in this discussion. Mr. Dippel, however, because of his knowledge of some of the purchasing we were doing in the West, tentatively stated that we might consider taking the output of, say, the Wilcox plant. Mr. Dippel indicated he would report this matter to Mr. Carnes and handle to a conclusion as to our participation in this movement.

5118 **GOVERNMENT EXHIBIT NO. 415.**

Telegram

Fort Worth
February 10, 1936

JWC
New York

Trinity thirty Ocean twenty five Tyreco five Cascade thirty five Gilliland sixty five Hurricane sixty Texas Oil Products ten Premier sixty McMurray seventy five Solvex forty total four hundred five Stop Ocean Tyreco Cascade Texas Oil Products and Solvex shut down Stop This is total gasoline available for shipment this week usual buying orders two hundred cars leaving two hundred five surplus Stop Gulf bought fifty at five and one eighths Pure thirty five Texas thirty five Tidewater five Stop Please wire authority twenty five cars at five and one eighths for Houston have placed twenty three cars through Central Western Southwestern Districts Stop Will need fifty additional at four and three quarters later in week advise

W T D

WAT

NOTE: *It is stipulated* in Exhibit 731 that this was written by W. A. Tracey and received at the office of J. W. Carnes, General Sales Manager, Sinclair Refining Company, New York, N. Y.

5119 GOVERNMENT EXHIBIT NO. 416.

Telegram

Fort Worth
February 17, 1936

J W Carnes
New York

Confirming conversation purchased twenty five cars in East Texas at five cents Stop This in addition ten cars local five for Chicago fifty for Gulf thirty five for Texas thirty five Pure and five Tidal five Louisiana Oil takes all current weekly manufactured if you authorize twenty five about Thursday price will be four and five eighths

W T D

WAT

NOTE: *It is stipulated* in Exhibit 731 that this was written by W. A. Tracey and received at the office of J. W. Carnes, General Sales Manager, Sinclair Refining Company, New York, N. Y.

5120 GOVERNMENT EXHIBIT NO. 417.

Telegram

Fort Worth
February 19, 1936

J W Carnes
New York

Gulf paying four and five eighths for surplus gasoline dont know of any four and one quarter with possible exception Premier high vapor pressure which was offered to us at four and one half in cargo lots Stop Dont believe can purchase below four and five eighths for immediate shipment Stop Believe situation now in fair shape purchases were Sinclair Chicago five Southwestern District ten purchased Saturday and twenty additional today for balance February twenty five for Houston Stop Gulf bought ninety Texaco thirty five Pure thirty five Tidal five Stop Expected you would purchase twenty five for Houston at four and five eighths which would clean up this weeks surplus

W T D

WAT

NOTE: *It is stipulated* in Exhibit 731 that this was written by W. A. Tracey and received at the office of J. W. Carnes, General Sales Manager, Sinclair Refining Company, New York, N. Y.

5121 GOVERNMENT EXHIBIT NO. 421.

Telegram

Fort Worth
March 4, 1936

J. W. Carnes
New York

In addition thirty cars four and seven eighths Monday purchased today twenty five cars four and five eighths for Houston Stop was agreeably surprised to learn a number of East Texas Refiners refused take four and five eighths claiming now in good position Stop paid five and one eighths for US Motor and HC for March believe this will be reflected in Trade Publications as market appears slightly better

W T D

W A T

NOTE: *It is stipulated* in Exhibit 731 that this was written by W. A. Tracey and received at the office of J. W. Carnes, General Sales Manager, Sinclair Refining Company, New York, N. Y.

5122 GOVERNMENT EXHIBIT NO. 422.

Telegram

Fort Worth
March 15, 1935

J. W. Carnes
New York

Raymond Russell operator Phoenix Refinery Houston has 200,000 to 300,000 gallons legal gasoline on hand Houston which he wishes sell majors to avoid dumping on Houston market and disrupting price Stop Gulf and Texas apparently willing go along purchase one third with us if you agreeable I recommend we do this basis. 4½¢ Houston Telegraph if you agreeable provided Gulf and Texas take one third each with us

W. T. Dinkins

5123 GOVERNMENT EXHIBIT NO. 424.

Telegram

New York, N. Y.
May 22, 1935

W. T. Tracey: Sinclair Refining Co.
Sinclair Bldg FTW

Satisfactory to purchase twenty five additional cars East Texas gasoline for Houston.

J W Carnes

(Handwritten Notation):

"Tide	25	"Cline	25
Pure	45	says need	37
Gulf	12	help in	60
Sinclair	60	Sellers cars	45
	142"		167"

NOTE: *It is stipulated* in Exhibit 731 that this was written by J. W. Carnes, and was received in the office of W. A. Tracey, Sinclair Refining Company, Fort Worth, Texas.

5124 **GOVERNMENT EXHIBIT NO. 426.**

March 15, 1935.

Mr. D. A. Brown,
Root Refining Co. (Personal and Confidential)
El Dorado, Arkansas.

Dear Duncan:—

Just after I talked with you, I had a talk with Mr. Dinkins, and he is of the same opinion that I am: that it seems unsound to pay more than U. S. Motor price for material made up of U. S. Motor Gasoline and Kerosine, but in the Interest of higher prices, we are trying to get the tractor distillate price in the rice belt raised a penny. In the event that we do, over the next two weeks, we will discuss future and better payments for this grade of fuel at that time.

Do not forget that it has taken some intense, active work on the part of all of us to get the U. S. Motor and H-C prices in tank cars where it is today. Jobber demand did not do it. You know, exactly, what I mean.

Yours very truly,
W. A. Tracey

FMB:REB

(Handwritten Notations):

"Mr. Dinkins"
"WAT"

NOTE: *It is stipulated* in Exhibit 731 that this was written by W. A. Tracey or F. M. Boettner and mailed addressed as indicated.

5125 GOVERNMENT EXHIBIT NO. 430.

Telegram

Fort Worth
January 25, 1936

J. W. Carnes
New York

For week ending twenty fifth Gulf eighty Sinclair ten to Western and Central Southwestern District eight and twenty five to Houston on the twentieth and twenty five additional to Houston twenty fifth Pure thirty five Texas thirty five Continental six total two hundred twenty four Stop For week twenty seventh believe Gulf sixty Texas thirty five Pure thirty five Continental six Sinclair Western and Central ten Southwestern eight appreciate your authority fifty for Houston starting twenty seventh this will total two hundred four cars Stop On twenty eighth or twenty ninth it would be possible to purchase fifty to seventy five cars additional at four and seven eighths possibly four and three quarters for Houston jobber demand from North every week Stop believe from Premier Hurricane Gilliland and possibly Colvex could buy from two hundred to two hundred fifty cars regular three seventy five export at four and seven eighths for shipment by February twenty ninth in buyers or sellers cars at your option

WAT

NOTE: *It is stipulated* in Exhibit 731 that this was written by W. A. Tracey and received at the office of J. W. Carnes, General Sales Manager, Sinclair Refining Company, New York, N. Y.

5126 GOVERNMENT EXHIBIT NO. 432.

Telegram

June 5, 1935

J. W. Carnes
New York

Purchased 15 cars from Burford 5 LaPren 5 Gilliland for Houston at 4⅝ Stop Texas Company bought 25 cars since Thursday Stop Cline needs 50 more cars balance week

W T Dinkins

W.A.T.:R.E.B.

NOTE: *It is stipulated* in Exhibit 731 that this was written by W. A. Tracey and received at the office of J. W. Carnes, General Sales Manager, Sinclair Refining Company, New York, N. Y.

5127 GOVERNMENT EXHIBIT NO. 442.

Telegram

Fort Worth, Texas
July 16, 1935.

J. W. Carnes
New York

Learn from Tulsa in addition our ninety following orders

Pure	35
Tidal	40
Gulf	30
texas	10

Nothing Continental or Cities before late in week Stop Hundred additional badly needed For your information and handling.

W A T

NOTE: *It is stipulated* in Exhibit 731 that this was written by W. A. Traccy or F. M. Boettner or A. H. Blocker and was received in the office of J. W. Carnes, General Sales Manager, Sinclair Refining Company, New York, N. Y.

5128 GOVERNMENT EXHIBIT NO. 450.

Telegram

Fort Worth
January 5, 1936

JVD
K C MO

JWC authorized purchase & asked you supply shipping instructions 50 carloads QUE from Panhandle Wichita Falls 20 QUE Eason at Enid 10 U S Motor from Olney at Olney Tex all buyers cars Stop H C 5⅝ refinery & U S Motor 4¾ mail orders & shipping instructions direct. Acknowledge

W A T

(Handwritten Notations):

"Gasoline Purchases" "Notify A.V.B."
"Notified Bourque."

NOTE: *It is stipulated* in Exhibit 731 that this was written by W. A. Tracey and received at the office of J. V. Dipple, District Manager, Sinclair Refining Company, Kansas City, Mo.

5129 **GOVERNMENT EXHIBIT NO. 454.**

Letterhead of Henry L. Doherty & Company
New York, N. Y.

Mr. H. E. Brandli, March 21, 1935.
Cities Service Export Oil Company,
70 Pine Street,
New York.

Dear Sir:

We would like in here just as soon after the first of the month as possible, a statement of gasoline purchased and the name of the company, separated as regards East Texas and Group 3.

No information regarding exchanges is necessary, but in order for us to determine the over-all company's participation in a general buying movement we need to know very early in each month just what we have done, it having considerable bearing on what we might have to do in the then present month.

If any delay is necessary in order to get details, a fairly general figure estimated would suffice.

Yours very truly,
Harry D. Frueauff
Marketing and Refining Division

5130 **GOVERNMENT EXHIBIT NO. 456.**

Letterhead of Cities Service Export Oil Company,
New York, N. Y.

Mr. Harry D. Frueauff, March 22, 1935
Sixty Wall Tower,
New York, N. Y.

Dear Sir:

We acknowledge receipt of your letter of March 21st reference gasoline purchased in the East Texas field and Group Three.

This date will be forwarded on the first of each month as requested.

Your very truly,
H. E. Brandli

MKG

(Handwritten Initials):
"HDF" "P"

5131 GOVERNMENT EXHIBIT NO. 457.

Letterhead of Cities Service Export Oil Company,
New York, N. Y.

April 1, 1935.

Mr. Harry F. Frueauff,
c/o Henry L. Doherty & Co.
60 Wall Street,
New York, N. Y.

Dear Sir:

In accordance with request in your letter of March 21, we are listing below purchases from East Texas refiners during March:

Date of Order	Seller	Shipping Period	Gallons
March 15	Texover Refining Co.	Immediately	80,000
March 18	La Pren Refining Co.	"	32,000
March 20	Arrow Refining & Producing Co.	"	330,000
March 20	Marine Export Corp.	"	40,000
March 20	Hertzog Petroleum Co.	"	80,000
March 20	Southport Petroleum Co.	"	200,000
March 21	LaPren Refining Co.	"	56,000
March 21	Texas Oil Products Co.	"	120,000
March 25	Arrow Refining & Producing Co.	"	64,000
March 30	Texover Refining Co.	"	40,000
March 30	Texas Oil Products Co.	"	56,000
March 30	Gilliland Refining Co.	"	160,000
March 30	Chief Refining Co.	"	24,000
	Total		1,282,000

We believe that the above figures are complete. However, if we find that additional purchases were made on March 30, we will so advise you.

We did not purchase any Gasoline from the Group 3 District.

Very truly yours,

E. P. Engelke

RML:TM

(Handwritten Initials):
"HDF"

(Handwritten Notation):
"Miss M—Hold for Empire and Loreco"

5132 GOVERNMENT EXHIBIT NO. 458.

Letterhead of Cities Service Export Oil Company,
New York, N. Y.

April 3, 1935.

Mr. Harry D. Frueauff,
60 Wall Tower,
New York, N. Y.

Dear Sir:

The following purchases of Gasoline out of East Texas were made in addition to those advised you in our letter of April first.

Date of Order	Seller	Shipping Period	Gallons
March 30	Southport Petroleum Co.	Immediately	400,000
March 30	Gilliland Refining Co.	"	360,000
March 30	Texover Refining Co.	"	40,000
	Total		800,000

The above list completes our purchases for the month of March.

Very truly yours,
F. P. Engelke

RML:TM

(Handwritten Initials):
"HDF"

5133 GOVERNMENT EXHIBIT NO. 460.

Henry L. Doherty & Company

Telegram

June 13, 1935

Mr. C. E. Arnott
Socony-Vacuum Oil Company
26 Broadway
New York New York

Shall be glad to meet you Wednesday June nineteenth at the Waldorf

Harry D. Frueauff

5134 GOVERNMENT EXHIBIT NO. 461.

Henry L. Doherty & Company

Copy of Telegram Received

New York
August 1, 1935

H. D. Frueauff

Would very much like you to join me Wednesday August seventh East Foyer Waldorf Astoria ten oclock I have a number of very important matters to discuss with you this may probably be the last opportunity we shall have to discuss matters for weeks to come therefore sincerely hope you will make every effort to join me please telegraph acknowledgment.

C. E. Arnott

(Handwritten Notations):
"H. D. F." "Advise will be present." "P"

5135 GOVERNMENT EXHIBIT NO. 462.

Henry L. Doherty & Company

Telegram

August 1, 1935

C. E. Arnott
26 Broadway
New York

Retel will be present Wednesday seventh Waldorf ten AM

Harry D. Frueauff

(Handwritten Initial):
"P"

5136 **GOVERNMENT EXHIBITS NO. 467, 469, 471.**

Explanation:

Three letters from J. A. Welch on letterhead of Louisiana Oil Refining Corporation, Shreveport, Louisiana, to Harry D. Frueauff, Cities Service Co., dated Feb. 12, Mar. 4 and Apr. 3, 1936, respectively, stating: "We are attaching report covering gasoline purchases for the month of ....." January, February and March, 1936, respectively.

5137 **GOVERNMENT EXHIBIT NO. 473.**

Letterhead of Louisiana Oil Refining Corporation,
Shreveport, Louisiana

May 21, 1935.

Mr. H. D. Frueauff,
Henry L. Doherty & Co.,
Sixty Wall Street,
New York, N. Y.

Dear Sir:

As requested, we are attaching statement of our showing of gasoline purchases for the month of April, 1935.

The attached for your information.

Yours Very truly,
J. A. Welch

(Handwritten Initials):
"HDF" "P"

GOVERNMENT EXHIBIT NO. 474.

GASOLINE PURCHASES—APRIL, 1935.

Purchased From	Gallons U.S.M.	Total Gallons	Gallons Q Gaso.	Total Gals.	Grand Total
East Texas Area					
E. Texas Ref. Co., Longview, Texas	256,000		1,112,000		1,368,000
Gilliland Ref. Co., Gladewater, Texas	184,000				184,000
Oil Refineries, Inc., Overton, Texas	96,000				96,000
Southport Pet. Co., Kilgore, Texas	16,000				16,000
		552,000		1,112,000	1,664,000
El Dorado, Ark. District					
Root Refining Co., El Dorado, Ark.			232,000		232,000
Lion Oil Ref. Co., El Dorado, Ark.	8,000				8,000
		8,000		232,000	240,000
Houston, Tex. District					
American Pet. Co., Houston, Tex.	128,000				128,000
		128,000			128,000
New Orleans, La. District					
Totals		688,000		1,344,000	2,032,000

WSW-es

Government Exhibit No. 474.

5139 **GOVERNMENT EXHIBIT NO. 475.**

Letterhead of Louisiana Oil Refining Corporation,
Shreveport, Louisiana

April 6, 1935.

Mr. H. D. Frueauff
Henry L. Doherty & Company
New York, N. Y.

Dear Sir:

We are attaching hereto, a statement of gasoline purchases made by the Louisiana Oil Companies during the month of March. This statement is being furnished as requested in your letter of March 21st.

The gallonage indicated, has been estimated as accurately as possible and furnished to you on this basis as it will be several days before actual figures will be available.

If additional information is desired on this subject, please advise.

Yours very truly,
J. A. Welch

(Handwritten Notation):
"Miss M. Get me total"

(Handwritten Initials):
"H.D.F."

GOVERNMENT EXHIBIT NO. 476.

GASOLINE PURCHASES—MARCH, 1935

EAST TEXAS AREA

Purchased From		Refinery	Gallons U.S.M.	Total Gals.	Gallons "Q" Gaso.	Total Gals.	Grand Total
East Texas Refining Co.,	Dallas, Texas	Longview, Texas	200,000		1,120,000		
Gilliland Refining Co.,	Gladewater, "	Gladewater, "	64,000				
Oil Refineries, Inc.,	Overton, "	Overton, "	152,000				
				416,000		1,120,000	
	El Dorado District						
Root Refining Co.,	El Dorado, Ark.	El Dorado, Ark.			600,000	600,000	
Lion Oil Refining Co.,	El Dorado, Ark.	El Dorado, Ark.	8,000	8,000			
	Houston District						
American Petroleum Co.,	Houston, Texas	Houston Terminal	120,000	120,000			
Totals				544,000		1,720,000	2,264,000

ES 4-3-35

Handwritten Initials):
"J.A.W."

Government Exhibit No. 476.

5141 **GOVERNMENT EXHIBIT NO. 477.**

**Letterhead of Cities Service Company,
New York, N. Y.**

F

May 13, 1936.

Mr. H. E. Brandli,
Cities Service Export Oil Co.,
70 Pine Street,
New York City.

Dear Sir:

In a study of the April showings of the companies we find we are more and more approaching the period of last year when stabilization seemed to be more helpful in our earnings and, therefore, the big improvement that we noticed during the winter months is getting smaller and smaller.

It suggests to me if there is any possible thing we can do in the way of maintenance of price, in the way of taking on increased business that has a spread, of concentrating on products whose spread is larger than some others and in watching in every possible way our operating expenses; that we should concentrate on this matter day and night, have our organization do the same and see if we cannot maintain the improvement during the next few months we have been so pleased in having during the past few months.

Some of the conditions that seem to hang over the market might suggest that prices may be lower. Of course they can easily get lower if we neglect watchfulness on this. They can be maintained or improved if our efforts individually and collectively can be concentrated on getting a fair price for our products, maintaining a good wholesale price, as well as by salesmen getting the business irrespective of some other competitive situations.

Won't you please get your key men together, outline the above, possibly better in your own terms than they are now outlined, but with the idea of a concentration on an effort beginning immediately to improve our picture.

Yours very truly,
Harry D. Frueauff
Marketing & Refining Division

5142 GOVERNMENT EXHIBIT NO. 478.

April 11, 1935

Memo to Mr. F. R. Coates,
In Re:.....

In connection with the present buying movement, our companies purchased in the month of March 3,202,000 gallons of gasoline in East Texas; 416,000 in Eldorado and 120,000 in Houston; also an additional 998,000 from the refiners of North and West Texas.

2,082,000 gallons of this was purchased for export, the balance saving us freight rates in our distribution, so while enabling us to cooperate with the buying movements, both of East Texas and of Group Three, we have not, except to our own advantage, affected our own operations.

Harry D. Frueauff.

(Handwritten Initial):
"P"

5143 GOVERNMENT EXHIBIT NO. 481.

Henry L. Doherty & Company

Copy of Telegram Received

New York
March 14, 1935

H. D. Frueauff

Retel Friday meeting will be two oclock instead of ten oclock.

C. E. Arnott

(Handwritten Initials):
"H. D. F."

5144 **GOVERNMENT EXHIBIT NO. 482.**

Telegram

Kansas City, Mo.
March 1, 1935

Pure Oil Co.
Pure Bldg Chgo

Am calling meeting Waldorf Hotel Wednesday Marc. sixth of small group major companies to hear outcome my meeting with East Texas refiners and to consider future action surplus gasoline this and other groups that is awaiting our decision telegraph me my office 26 Broadway if you or your representative will attend matter of extreme importance and anxious you be with me.

C. E. Arnott

NOTE: *It is stipulated* in Exhibit 717 that this was received by C. B. Watson.

5145 **GOVERNMENT EXHIBIT NO. 483.**

The Pure Oil Company

Telegram

New York
March 15, 1935

C. B. Watson
Chgo.

Arnott holding meeting two oclock this afternoon in connection with purchase of surplus gasoline and has asked us to attend. Mac did not outline discussion that took place at last meeting but assume you are familiar with it and would like to know if you have any instructions to pass on in connection with meeting or any commitments you have authorized for purchase of surplus gasoline Stop Arnott seems extremely optimistic with results to date.

Morris.

NOTE: *It is stipulated* in Exhibit 717 that this was written by George Morris general manager of retail marketing division of Pure Oil Company.

5146 GOVERNMENT EXHIBIT NO. 485.

Telegram

March 28, 1935

Mr. C. E. Arnott
Socony Vacuum Corporation
26 Broadway
New York City

Due to fact that Board of Review meets in Washington morning of eighth I will probably be unable to personally attend meeting at Excelsior Springs Stop However will have representative present Stop Best regards.

C. B. Watson

5147 GOVERNMENT EXHIBIT NO. 487.

Mr. D. K. Chamberlin
Tulsa, Oklahoma

Wholesale Marketing Executive
Chicago, Ill.,

May 16, 1935

Dear Dewey:

This will acknowledge receipt of your letter of May 14th, giving us information as to the status of the buying program in East Texas.

We trust you will keep in close touch with Mr. Buckley and should it develop that the major companies generally are not adhering to the buying program you will advise us. However, as a matter of fact, and for your own information, we have been extremely short of gasoline recently, and have really needed all of the material which we have bought, and undoubtedly will continue to need it although it might be if a large portion of the companies now purchasing gasoline decide not to purchase it we would also want to discontinue our purchasing.

Therefore, believe you should keep us fully advised.

Yours very truly,
Chas. W. Snider

NOTE: *It is stipulated* in Exhibit 717 that this was written by Charles W. Snider assistant general manager of Wholesale marketing division of Pure Oil Company and received by D. K. Chamberlain.

5148 **GOVERNMENT EXHIBIT NO. 488.**

Inter-Company Communication

To	From
Refer to Mr. C. W. Snider	Company or Division Wholesale Marketing
Place Chicago, Ill.	Place Tulsa, Oklahoma
Subject.....	Date May 14, 1935

Dear Mr. Snider:

Last week was not so satisfactory in East Texas. Texas Company bought elsewhere inasmuch as no 400 end point material could be secured with vapor pressure under 9 pounds. As a result, one refinery was forced to shut down.

Another case of trouble arose when buyer's equipment failed to roll into the refinery to allow even movement, both buyer and seller becoming arbitrary in their demands, with the result that considerable arbitration was necessary before shipments were resumed.

Some of the major refiners continue to withhold their support which is unfair to those who are supporting this movement for the benefit of all. We have never taken our allocation of five cars per day any week since the buying program started but this is the result of inability on the part of the suppliers to furnish material meeting our requirements.

I told Mr. Buckley that while we wanted to support the program insofar as possible, we hoped that he would keep us advised if and when others were not doing their part. He informed me that he would be in possession of a complete resume of allocations and purchases early this week and we would be given a copy. My understanding is that Shell has never supported the program and possibly some others have failed to do their share.

Prices were advanced this week in both regions to 4½¢ and 4⅝¢-5⅜¢, in view of some of the refiners squawking because our buying price was considerably lower than the publications.

Yours very truly,
D. K. Chamberlin (Signed)

5149 **GOVERNMENT EXHIBIT NO. 489.**

March 22, 1935

To the Budget and Operating Committee

Gentlemen:

Assuming that it will only be necessary to purchase approximately 225,000 barrels of motor fuel after April 1st in order to cover our shortage, of which 50,000 barrels will be coming from the Barnsdall under contract, we recommend the cancellation of the contract to take effect on May 1st, purchasing the other 175,000 barrels, as Unique and "66" gasoline, to support the tank car market.

In this connection much has been done to advance the market, and with east coast refiners having a program to purchase surplus East Texas gasoline over the next four months, we feel that still further advances can be made in the tank car market and a resultant increase in the service station price.

May we have your approval.

Respectfully submitted,

FLK-CHA

cc: Executive Committee
H. A. Trower
A. M. Hughes
P. R. Phillips
H. A. Gardner

NOTE: *It is stipulated* in Exhibit 715 that this was written by F. L. Koopman and received by at least A. M. Hughes and H. A. Gardner.

5150 **GOVERNMENT EXHIBIT NO. 490.**

March 22, 1935

Mr. A. V. Bourque,
Western Petroleum Refiners Association,
Tulsa, Oklahoma.

Dear Sir:

The following represents our purchases of Motor Gasoline for March 22nd:

One car from Dale W. Moore Oil Co. @ .03875 per gallon.
One car from Champlin Refining Co. @ .03875 per gallon.

Yours very truly,

GBH

NOTE: *It is stipulated* in Exhibits 715 and 742 that documents appearing as Exhibits 490 to 508 incl. were written by either Grace B. Henderson (GBH-Exs 490-494, 504-506) or J. P. Schaff (JPS-Exs. 495-503, 507-508) clerks in the tank car department of Phillips Petroleum Company and received by A. V. Bourque.

5151 **GOVERNMENT EXHIBIT NO. 491.**

March 23, 1935

Mr. A. V. Bourque,
Western Petroleum Refiners Association,
Tulsa, Oklahoma

Dear Sir:

The following represents our purchases of Motor Gasoline for March 23rd:

One car from Champlin Refining Company @ .04 per gallon.

Yours very truly,

GBH

5152 GOVERNMENT EXHIBIT NO. 492.

March 25, 1935

Mr. A. V. Bourque,
Western Petroleum Refiners Association,
Tulsa, Oklahoma

Dear Sir:

The following represents our purchases of Motor Gasoline for March 25th:

One car from Champlin Refining Company @ .04 per gallon.

Yours very truly,

GBH

5153 GOVERNMENT EXHIBIT NO. 493.

March 26, 1935

Mr. A. V. Bourque,
Western Petroleum Refiners Association,
Tulsa, Oklahoma.

Dear Sir:

The following represents our purchases of Motor Gasoline for March 26th:

Ten cars from Cushing Refining & Gasoline Company @ .04 Per gallon.

Yours very truly,

GBH

5154 **GOVERNMENT EXHIBIT NO. 494.**

April 1, 1935

Mr. A. V. Bourque,
Western Petroleum Refiners Association
Tulsa, Oklahoma.

Dear Sir:

The following represents our purchases of Motor Gasoline for March 27th to March 30th inclusive:

Date	No. Cars	Price	From	Destination
March 27	1	.04	Cushing Refining & Gaso. Co.	North
March 27	1	.04375	" " " "	Oklahoma—Local
March 27	7	.04125	Dickey Refining Company	Kansas—Local
March 28	2	.04125	" " "	Kansas—Local
March 28	1	.04	Champlin Refining Company	Oklahoma—Local
March 28	1	.04	Danciger Refineries, Inc.	North
March 28	1	.04125	Wirt Franklin Petroleum Co.	Oklahoma—Local
March 29	5	.04125	Dickey Refining Company	Kansas Local
March 29	1	.04	Champlin Refining Company	Oklahoma—Local
March 29	2	.04	Bell Oil & Gas Company	Oklahoma—Local
March 29	5	.04	Cushing Refining & Gasoline Co.	North
March 30	1	.04	Champlin Refining Company	North
March 30	2	.04	Champlin Refining Company	Oklahoma—Local
March 30	1	.0375	Panhandle Refining Company	New Mexico

Yours very truly,

GBH

5155 **GOVERNMENT EXHIBIT NO. 495.**

April 8, 1935

Mr. A. V. Bourque,
Western Petroleum Refiners Association,
Tulsa, Oklahoma.

Dear Sir:

The following represents our purchases of Motor Gasoline for April 1st to April 6th inclusive:

Date	No.	Cars	Price	From	Destination
April	1	1	.04125	Champlin Refining Co.	Oklahoma—Local
April	2	1	.04125	" " "	" "
April	2	5	.04125	" " "	North
April	2	5	.04	Dale W. Moore Oil Co.	North
April	3	2	.04125	Champlin Refining Co.	North
April	3	1	.04125	Bell Oil & Gas Company	Oklahoma—Local
April	3	10	.04125	Taxman Refining Co.	North
April	4	1	.04125	Champlin Refining Co.	Oklahoma—Local
April	4	3	.04875	" " "	North
April	5	2	.04875	" " "	North
April	5	2	.04125	" " "	North
April	5	1	.04125	" " "	Kansas—Local
April	5	1	.04125	Bell Oil & Gas Company	Oklahoma—Local
April	6	2	.04875	Champlin Refining Co.	North
April	6	2	.04125	" " "	North
		39			

Yours very truly,

JPS:H

5156 **GOVERNMENT EXHIBIT NO. 496.**

April 13, 1935

Mr. A. V. Bourque,
Western Petroleum Refiners Association,
Tulsa, Oklahoma.

Dear Sir:

The following represents our purchases of Gasoline for April 8th to April 13th inclusive:

Date	No. Cars	Grade	Price	From	Destination
April 8	1	60 Oct.	.04125	Champlin Refining Co.	North
April 8	1	70 Oct.	.04875	" " "	"
April 9	5	70 Oct.	.04875	" " "	Oklahoma—Local
April 9	2	70 Oct.	.04875	" " "	North
April 9	2	60 Oct.	.04125	" " "	North
April 9	1	60 Oct.	.04125	Panhandle Refining Co.	New Mexico
April 10	1	60 Oct.	.04125	Champlin Refining Co.	North
April 10	1	60 Oct.	.04125	" " "	Kansas—Local
April 10	1	70 Oct.	.04875	" " "	North
April 10	1	70 Oct.	.04875	" " "	Oklahoma—Local
April 10	1	60 Oct.	.0425	Wirt Franklin Pet. Co.	Oklahoma—Local
April 11	2	60 Oct.	.0425	Danciger Refineries, Inc.	North
April 11	1	60 Oct.	.0425	Champlin Refining Co.	Oklahoma—Local
April 11	4	70 Oct.	.05	" " "	Oklahoma—Local
April 11	2	70 Oct.	.05	" " "	North
April 11	2	60 Oct.	.0425	" " "	North
April 12	1	70 Oct.	.05	" " "	Oklahoma—Local
April 12	1	60 Oct.	.04625	Cushing Refining & Gaso. Co.	Oklahoma—Local
April 13	1	60 Oct.	.0425	Champlin Refining Co.	Oklahoma—Local
April 13	4	60 Oct.	.04375	Dickey Refining Co.	Kansas—Local
April 13	2	70 Oct.	.05	Champlin Refining Co.	North
	37				

Yours very truly,

JPS:H

5157 **GOVERNMENT EXHIBIT NO. 497.**

April 20, 1935

Mr. A. V. Bourque,
Western Petroleum Refiners Association,
Tulsa, Oklahoma.

Dear Sir:

The following represents our purchases of Gasoline for April 15th to April 20th inclusive:

Date	No. Cars	Grade	Price	From	Destination
April 15	2	60 Oct.	.0425	Panhandle Refining Co.	New Mexico
April 16	6	60 Oct.	.04375	Dickey Refining Co.	Kansas—Local
April 16	2	60 Oct.	.0425	Bell Oil & Gas Co.	Okla.—Local
April 16	1	70 Oct.	.05	Champlin Refining Co.	North
April 16	1	70 Oct.	.05	Rock Island Refining Co.	Okla.—Local
April 17	2	70 Oct.	.05	Champlin Refining Co.	North
April 17	2	60 Oct.	.0425	" " "	North
April 17	3	60 Oct.	.04375	Dickey Refining Co.	Kansas—Local
April 18	2	70 Oct.	.05125	Champlin Refining Co.	Okla.—Local
April 18	1	70 Oct.	.05125	" " "	North
April 18	1	60 Oct.	.04375	Danciger Refineries, Inc.	North
April 18	1	70 Oct.	.05125	Rock Island Refining Co.	Okla.—Local
April 19	1	70 Oct.	.05125	Champlin Refining Co.	Okla.—Local
April 19	1	60 Oct.	.04375	" " "	Okla.—Local
April 19	2	70 Oct.	.0525	Rock Island Refining Co.	North
April 19	1	60 Oct.	.045	Dickey Refining Co.	Kansas—Local
April 20	4	60 Oct.	.04375	" " "	Kansas—Local
April 20	1	60 Oct.	.04375	Eason Oil Company	North
April 20	5	70 Oct.	.0525	Rock Island Refining Co.	North
April 20	1	70 Oct.	.05125	" " " "	Okla.—Local
April 20	2	70 Oct.	.05125	Champlin Refining Co.	Okla.—Local
	42				

JPS:H

Yours very truly,

5158 **GOVERNMENT EXHIBIT NO. 498.**

April 29, 1935

Mr. A. V. Bourque,
Western Petroleum Refiners Association,
Tulsa, Oklahoma.

Dear Sir:

The following represents our purchases of Gasoline for April 22nd to April 27th inclusive:

Date	No. Cars	Grade	Price	From	Destination
April 22	4	70 Oct.	.0525	Rock Island Refg. Co.	North
April 22	3	60 Oct.	.04625	Dickey Refining Co.	Kansas—Local
April 22	2	60 Oct.	.04375	Eason Oil Co.	North
April 22	1	70 Oct.	.0525	Champlin Refining Co.	Okla.—Local
April 23	2	70 Oct.	.0525	Rock Island Refg. Co.	Okla.—Local
April 23	1	60 Oct.	.04375	Champlin Refining Co.	North
April 23	4	60 Oct.	.04625	Dickey Refining Co.	Kansas—Local
April 23	2	60 Oct.	.04375	Eason Oil Company	North
April 24	10	60 Oct.	.04375	Taxman Refining Co.	North
April 24	1	60 Oct.	.04625	Dickey Refining Co.	Kansas—Local
April 24	2	60 Oct.	.045	Bell Oil & Gas Co.	Okla.—Local
April 25	2	60 Oct.	.04375	Eason Oil Co.	Okla.—Local
April 25	1	60 Oct.	.04625	Dickey Refining Co.	Kansas—Local
April 25	1	60 Oct.	.045	Bell Oil & Gas Co.	Okla.—Local
April 25	3	70 Oct.	.0525	Champlin Refining Co.	Okla.—Local
April 25	1	70 Oct.	.0525	Rock Island Refining Co.	Okla.—Local
April 25	1	70 Oct.	.0525	Rock Island Refining Co.	North
April 26	2	70 Oct.	.0525	Rock Island Refining Co.	Okla.—Local
April 26	2	70 Oct.	.0525	Champlin Refining Co.	Okla.—Local
April 26	1	60 Oct.	.045	Bell Oil & Gas Co.	Okla.—Local
April 26	2	60 Oct.	.04625	Dickey Refining Co.	Kansas—Local
April 26	4	60 Oct.	.04375	Eason Oil Company	Okla.—Local
April 27	1	70 Oct.	.0525	Champlin Refining Co.	Okla.—Local
April 27	3	60 Oct.	.04375	Eason Oil Company	Okla.—Local
	56				

Yours very truly,

JPS:H

5159 **GOVERNMENT EXHIBIT NO. 499.**

May 6, 1935

Mr. A. V. Bourque,
Western Petroleum Refiners Association,
Tulsa, Oklahoma.

Dear Sir:

The following represents our purchases of Gasoline for April 29th to May 4th inclusive:

Date	No. Cars	Grade	Price	From	Destination
April 29	2	70 Oct.	.0525	Champlin Refining Co.	Okla.—Local
April 29	10	60 Oct.	.04375	Taxman Refining Co.	North
April 29	2	60 Oct.	.04625	Dickey Refining Co.	Kansas—Local
April 30	2	70 Oct.	.0525	Champlin Refining Co.	Okla.—Local
April 30	2	70 Oct.	.0525	Rock Island Refining Co.	North
April 30	1	70 Oct.	.0525	" " " "	Okla.—Local
April 30	2	60 Oct.	.045	Champlin Refining Co.	Okla.—Local
April 30	1	60 Oct.	.045	Bell Oil & Gas Co.	Okla.—Local
April 30	2	60 Oct.	.04625	Dickey Refining Co.	Kansas—Local
May 1	1	70 Oct.	.0525	Rock Island Refining Co.	Okla.—Local
May 1	2	60 Oct.	.04625	Dickey Refining Co.	Kansas—Local
May 2	2	70 Oct.	.0525	Rock Island Refining Co.	North
May 2	2	70 Oct.	.0525	Champlin Refining Co.	Okla.—Local
May 2	1	60 Oct.	.04625	Dickey Refining Co.	Kansas—Local
May 2	1	60 Oct.	.045	Eason Oil Co.	North
May 2	1	60 Oct.	.045	Champlin Refining Co.	North
May 3	1	70 Oct.	.0525	" " "	Okla.—Local
May 3	1	60 Oct.	.04625	Dickey Refining Co.	Kansas—Local
May 3	10	60 Oct.	.04375	Taxman Refining Co.	North
May 3	1	60 Oct.	.045	Champlin Refining Co.	Okla.—Local
May 4	1	70 Oct.	.0525	Rock Island Refining Co.	North
May 4	1	70 Oct.	.0525	" " " "	Okla.—Local
May 4	1	60 Oct.	.045	Bell Oil & Gas Co.	Okla.—Local
May 4	1	60 Oct.	.045	Rock Island Refining Co.	Okla.—Local

JPS:H

Yours very truly,

5160 **GOVERNMENT EXHIBIT NO. 500.**

May 13, 1935

Mr. A. W. Bourque,
Western Petroleum Refiners Association,
Tulsa, Oklahoma.

Dear Sir:

The following represents our purchases of Gasoline for May 6th to May 11th inclusive:

Date	No. Cars	Grade	Price	From	Destination
May 6	2	70 Oct.	.0525	Rock Island Refg. Co.	North
May 6	2	60 Oct.	.045	Eason Oil Co.	North
May 6	1	60 Oct.	.045	* * *	Okla.—Local
May 6	1	60 Oct.	.045	Champlin Refg. Co.	North
May 6	1	60 Oct.	.045	Bell Oil & Gas Co.	Okla.—Local
May 7	3	70 Oct.	.0525	Rock Island Refg. Co.	Okla.—Local
May 7	3	70 Oct.	.0525	Champlin Refg. Co.	North
May 7	4	60 Oct.	.04625	Dickey Refining Co.	Kansas—Local
May 7	1	60 Oct.	.045	Champlin Refg. Co.	North
May 8	1	70 Oct.	.0525	Rock Island Refg. Co.	North
May 8	3	70 Oct.	.0525	Champlin Refg. Co.	Okla.—Local
May 8	1	60 Oct.	.04625	Dickey Refining Co.	Kansas—Local
May 8	1	60 Oct.	.045	Eason Oil Co.	North
May 9	5	70 Oct.	.0525	Rock Island Refg. Co.	North
May 9	1	70 Oct.	.0525	Champlin Refg. Co.	Okla.—Local
May 9	1	60 Oct.	.04625	Dickey Refining Co.	Kansas—Local
May 9	2	60 Oct.	.045	Eason Oil Co.	North
May 10	1	60 Oct.	.04625	Dickey Refining Co.	Kansas—Local
May 10	2	70 Oct.	.0525	Rock Island Refg. Co.	Okla.—Local
May 10	2	70 Oct.	.0525	Champlin Refg. Co.	Okla.—Local
	38				

JPS:H

Yours very truly,

5161 **GOVERNMENT EXHIBIT NO. 501.**

May 18, 1935

Mr. A. V. Bourque,
Western Petroleum Refiners Association,
Tulsa, Oklahoma.

Dear Sir:

The following represents our purchases of Gasoline for May 13th to May 18th inclusive:

Date	No. Cars	Grade	Price	From	Destination
May 13	3	70 Oct.	.0525	Rock Island Refg. Co.	North
May 13	1	70 Oct.	.0525	Champlin Refg. Co.	Okla.—Local
May 13	2	60 Oct.	.0475	Dickey Refining Co.	Kansas—Local
May 13	3	60 Oct.	.045	Eason Oil Company	North
May 13	1	60 Oct.	.045	Champlin Refg. Co.	Okla.—Local
May 14	5	70 Oct.	.0525	Rock Island Refg. Co.	North
May 14	2	70 Oct.	.0525	" " " "	Okla.—Local
May 14	6	60 Oct.	.0475	Dickey Refining Co.	Kansas—Local
May 14	2	60 Oct.	.045	Champlin Refg. Co.	Okla.—Local
May 14	1	60 Oct.	.045	" " "	North
May 14	1	60 Oct.	.045	Rock Island Refg. Co.	Okla.—Local
May 15	1	70 Oct.	.0525	Champlin Refg. Co.	Okla.—Local
May 15	3	60 Oct.	.0475	Dickey Refining Co.	Kansas—Local
May 13	2	60 Oct.	.04375	Taxman Refg. Co.	North
May 14	2	60 Oct.	.045	Taxman Refg. Co.	North
May 15	4	60 Oct.	.04625	" " "	North
May 15	2	60 Oct.	.04625	Bell Oil & Gas Co.	Okla.—Local
May 15	1	60 Oct.	.04625	Rock Island Refg. Co.	Okla.—Local
May 16	3	70 Oct.	.0525	Champlin Refg. Co.	Okla.—Local
May 16	2	60 Oct.	.0475	Dickey Refg. Co.	Kansas—Local
May 16	1	60 Oct.	.04625	Eason Oil Company	Okla.—Local
May 15	2	60 Oct.	.04625	Simms Oil Company	North
May 17	3	70 Oct.	.0525	Rock Island Refg. Co.	North
May 17	2	70 Oct.	.0525	Champlin Refg. Co.	Okla.—Local

5162 GOVERNMENT EXHIBIT No. 501 (Continued)

Date	No. Cars	Grade	Price	From	Destination
May 17	1	60 Oct.	.0475	Dickey Refg. Co.	Kansas—Local
May 17	4	60 Oct.	.04625	Eason Oil Company	North
May 17	2	60 Oct.	.04625	Simms Oil Company	North
May 18	1	70 Oct.	.0525	Rock Island Refg. Co.	Oklahoma—Local
May 18	5	70 Oct.	.0525	" " " "	North
May 18	2	60 Oct.	.0475	Dickey Refg. Co.	Kansas—Local
May 18	2	60 Oct.	.04625	Eason Oil Company	Oklahoma—Local
May 18	1	60 Oct.	.04625	Simms Oil Company	North
May 18	1	70 Oct.	.0525	Champlin Refg. Co.	North
	74				

JPS:H

Yours very truly,

(Handwritten Notations):

	70	60
Rock Island	19	2
Champlin	8	4
Dickey		16
Eason		10
Taxman		8
Bell		2
Simms		5
		47
		27
		74

5163 **GOVERNMENT EXHIBIT NO. 502.**

May 27, 1935

Mr. A. V. Bourque,
Western Petroleum Refiners Association,
Tulsa, Oklahoma.

Dear Sir:

The following represents our purchases of Gasoline for May 13th to May 18th inclusive:

Date	No. Cars	Grade	Price	From	Destination
May 20	1	60 Oct.	.0475	Dickey Refg. Co.	Kansas—Local
May 20	5	60 Oct.	.04625	Taxman Refg. Co.	North
May 21	3	60 Oct.	.04695	Eason Oil Co.	North
May 21	2	60 Oct.	.04625	Bell Oil & Gas Co.	Oklahoma—Local
May 21	1	60 Oct.	.04625	Simms Oil Co.	North
May 21	4	60 Oct.	.0475	Dickey Refg. Co.	Kansas—Local
May 22	1	60 Oct.	.0475	Dickey Refg. Co.	Kansas—Local
May 22	1	60 Oct.	.04625	Taxman Refg. Co.	North
May 22	1	60 Oct.	.04625	Eason Oil Co.	Oklahoma—Local
May 22	2	60 Oct.	.04625	Simms Oil Co.	North
May 22	1	70 Oct.	.0525	Champlin Refg. Co.	Oklahoma—Local
May 23	2	70 Oct.	.0525	Champlin Refg. Co.	Oklahoma—Local
May 23	1	70 Oct.	.0525	Rock Island Refg. Co.	Oklahoma—Local
May 23	1	60 Oct.	.0475	Dickey Refg. Co.	Kansas—Local
May 23	1	60 Oct.	.04625	Eason Oil Co.	Kansas—Local
May 23	1	60 Oct.	.04625	Simms Oil Co.	North
May 23	1	60 Oct.	.0475	Monarch Refg. Co.	Oklahoma—Local
May 24	1	70 Oct.	.0525	Champlin Refg. Co.	Oklahoma—Local
May 24	1	60 Oct.	.0475	Dickey Refg. Co.	Kansas—Local
May 24	1	60 Oct.	.04625	Taxman Refg. Co.	North
May 24	3	60 Oct.	.04625	Eason Oil Co.	North
May 24	2	60 Oct.	.04625	Eason Oil Co.	Oklahoma—Local
5164					
May 24	3	60 Oct.	.04625	Simms Oil Co.	North
May 25	3	60 Oct.	.0475	Dickey Refg. Co.	Kansas—Local
May 25	1	60 Oct.	.04625	Taxman Refg. Co.	North
May 25	2	60 Oct.	.04625	Eason Oil Co.	North
May 25	1	60 Oct.	.04625	Bell Oil & Gas Co.	Oklahoma—Local
	47				

JPS:H

Yours very truly,

5165 GOVERNMENT EXHIBIT NO. 503.

June 5, 1935

Mr. A V. Bourque,
Western Petroleum Refiners Association,
Tulsa, Oklahoma.

Dear Sir:

The following represents our purchases of Gasoline for May 27th to June 1st inclusive:

Date	No. Cars	Grade	Price	From	Destination
May 27	1	70 Oct.	.0525	Champlin Refg. Co.	Oklahoma—Local
May 27	1	70 Oct.	.0525	Rock Island Refg. Co.	Oklahoma—Local
May 27	2	60 Oct.	.0475	Dickey Refg. Co.	Kansas—Local
May 27	1	60 Oct.	.04625	Taxman Refg. Co.	North
May 27	1	60 Oct.	.04625	Eason Oil Co.	North
May 27	1	60 Oct.	.04625	Eason Oil Co.	Oklahoma—Local
May 27	3	60 Oct.	.04625	Simms Oil Co.	North
May 27	1	60 Oct.	.05	Cushing Refg. & Gaso. Co.	Switch Move
May 27	1	60 Oct.	.0475	Kanotex Refg. Co.	Kansas—Local
May 28	1	70 Oct.	.055	Omar Refg. Co.	North
May 28	1	60 Oct.	.04625	Eason Oil Company	North
May 29	1	70 Oct.	.055	Champlin Refg. Co.	Oklahoma—Local
May 29	2	70 Oct.	.055	Eason Oil Company	North
May 29	1	70 Oct.	.055	Omar Refining Co.	North
May 29	6	60 Oct.	.04625	Dickey Refg. Co.	Kansas—Local
May 29	2	60 Oct.	.04625	Taxman Refg. Co.	North
May 29	3	60 Oct.	.04625	Eason Oil Co.	Oklahoma—Local
May 29	1	60 Oct.	.04625	Bell Oil & Gas Co.	Oklahoma—Local
May 29	1	60 Oct.	.04625	Kanotex Refining Co.	Oklahoma—Local
May 29	1	60 Oct.	.0475	Monarch Refining Co.	Oklahoma City Switch
May 31	3	70 Oct.	.055	Eason Oil Co.	Oklahoma—Local
May 31	2	60 Oct.	.0475	Dickey Refg. Co.	Kansas—Local
May 31	2	60 Oct.	.04625	Eason Oil Co.	North
May 31	5	60 Oct.	.04625	Tansel Petroleum Co.	North
5166					
May 31	5	60 Oct.	.04625	Primrose Petroleum Co.	North
June 1	3	60 Oct.	.04875	Dickey Refg. Co.	Kansas—Local
June 1	2	60 Oct.	.0475	Taxman Refg. Co.	North
June 1	5	70 Oct.	.05625	Omar Refining Co.	North
	59				

JPS:H

Yours very truly,

5167 GOVERNMENT EXHIBIT NO. 504.

June 10, 1935

Mr. A. V. Bourque,
Western Petroleum Refiners Association,
Tulsa, Oklahoma.

Dear Sir:

The following represents our purchases of Gasoline for June 3rd to June 8th inclusive:

Date	No. Cars	Grade	Price	From	Destination
June 3	1	60 Oct.	.04875	Dickey Refining Co.	Kansas—Local
June 4	2	60 Oct.	.04875	Dickey Refining Co.	Kansas—Local
June 4	2	60 Oct.	.0475	Taxman Refining Co.	North
June 4	2	60 Oct.	.0475	Eason Oil Co.	North
June 5	1	60 Oct.	.04875	Dickey Refining Co.	Kansas—Local
June 5	2	60 Oct.	.0475	Taxman Refining Co.	North
June 5	1	60 Oct.	.0475	Eason Oil Co.	Oklahoma—Local
June 5	1	60 Oct.	.0475	Rock Island Refining Co.	Oklahoma—Local
June 6	1	60 Oct.	.04875	Dickey Refining Co.	Kansas—Local
June 6	2	60 Oct.	.0475	Eason Oil Co.	Oklahoma—Local
June 6	2	60 Oct.	.0475	Taxman Refining Co.	North
June 7	2	60 Oct.	.04875	Dickey Refining Co.	Kansas—Local
June 7	4	60 Oct.	.0475	Taxman Refining Co.	North
June 7	1	60 Oct.	.0475	Taxman Refining Co.	Oklahoma
June 8	2	60 Oct.	.0475	Eason Oil Co.	Oklahoma—Local
June 8	2	60 Oct.	.04875	Dickey Refining Co.	Kansas—Local
June 8	1	60 Oct.	.0475	Taxman Refining Co.	North
	29				

GBH

Yours very truly,

5168 **GOVERNMENT EXHIBIT NO. 505.**

June 15, 1935

Mr. A. V. Bourque,
Western Petroleum Refiners Association,
Tulsa, Oklahoma.

Dear Sir:

The following represents our purchases of Gasoline for June 10th to June 15th inclusive:

Date	No. Cars	Grade	Price	From	Destination
June 10	1	60 Oct.	.0475	Taxman Refg. Co.	North
June 10	3	60 Oct.	.04875	Dickey Refg. Co.	Kansas—Local
June 10	1	60 Oct.	.0475	Eason Oil Co.	Colorado
June 10	5	60 Oct.	.04625	Simms Oil Co.	North
June 11	2	60 Oct.	.0475	Eason Oil Co.	Oklahoma—Local
June 11	1	60 Oct.	.0475	Taxman Refg. Co.	Oklahoma
June 12	1	60 Oct.	.04875	Dickey Refg. Co.	Kansas—Local
June 12	5	60 Oct.	.04625	Simms Oil Co.	North
June 13	1	60 Oct.	.04875	Dickey Refg. Co.	Kansas—Local
June 13	3	60 Oct.	.0475	L. O. Carter & Co., Inc.	Oklahoma—Local
June 14	1	60 Oct.	.0475	L. O. Carter & Co., Inc.	Oklahoma—Local
June 14	1	60 Oct.	.04875	Dickey Refg. Co.	Kansas—Local
June 14	1	60 Oct.	.0475	Eason Oil Co.	Oklahoma—Local
June 14	1	60 Oct.	.0475	Taxman Refg. Co.	North
June 15	1	60 Oct.	.0475	Taxman Refg. Co.	North
	28				

Yours very truly,

GBH

5169 **GOVERNMENT EXHIBIT NO. 506.**

June 22, 1935

Mr. A. V. Bourque,
Western Petroleum Refiners Association,
Tulsa, Oklahoma.

Dear Sir:

The following represents our purchases of Gasoline for June 17th to June 22nd inclusive:

Date	No. Cars	Grade	Price	From	Destination
June 17	1	60 Oct.	.0475	Taxman Refg. Co.	North
June 17	1	60 Oct.	.04875	Dickey Refg. Co.	Kansas—Local
June 17	1	60 Oct.	.0475	Eason Oil Co.	Switch Move
June 18	1	60 Oct.	.04875	Dickey Refg. Co.	Kansas—Local
June 19	1	60 Oct.	.04875	Dickey Refg. Co.	Kansas—Local
June 19	1	60 Oct.	.0475	Eason Oil Co.	Oklahoma—Local
June 19	2	60 Oct.	.0475	Taxman Refg. Co.	North
June 20	1	60 Oct.	.04875	Dickey Refg. Co.	Kansas—Local
June 20	1	60 Oct.	.0475	Taxman Refg. Co.	North
June 21	1	60 Oct.	.04875	Dickey Refg. Co.	Kansas—Local
June 21	1	60 Oct.	.0475	Taxman Refg. Co.	North
June 22	1	60 Oct.	.0475	Taxman Refg. Co.	North
June 22	1	60 Oct.	.04875	Dickey Refg. Co.	Kansas—Local
	14				

Yours very truly,

GBH

5170 GOVERNMENT EXHIBIT NO. 507.

June 29, 1935

Mr. A. V. Bourque,
Western Petroleum Refiners Association,
Tulsa, Oklahoma.

Dear Sir:

The following represents our purchases of Gasoline for June 24th to June 29th inclusive:

Date	No. Cars	Grade	Price	From	Destination
June 24	1	60 Oct.	.04875	Dickey Refg. Co.	Kansas—Local
June 24	1	60 Oct.	.0475	Taxman Refg. Co.	North
June 24	2	60 Oct.	.0475	Eason Oil Co.	Oklahoma—Local
June 25	3	60 Oct.	.04875	Dickey Refg. Co.	Kansas—Local
June 25	2	60 Oct.	.0475	Taxman Refg. Co.	North
June 26	2	60 Oct.	.0475	Taxman Refg. Co.	North
June 26	1	60 Oct.	.0475	Eason Oil Co.	Oklahoma—Local
June 27	2	60 Oct.	.04625	H. F. Wilcox Oil & Gas	North
June 27	1	60 Oct.	.0475	Eason Oil Co.	Oklahoma—Local
June 28	1	60 Oct.	.04625	H. F. Wilcox Oil & Gas	North
June 29	2	60 Oct.	.0475	Eason Oil Company	Oklahoma—Local
June 29	2	60 Oct.	.0475	Taxman Refg. Co.	Oklahoma—Local
	—				
	20				

Yours very truly,

JPS:H

5171 GOVERNMENT EXHIBIT NO. 508.

Sept. 5, 1935

Mr. A. B. Bourque,
Western Petroleum Refining Assn.,
Tulsa, Oklahoma

Dear Sir:

I am listing below the number of cars of motor gasoline purchased during the month of August:

Tansel Petroleum Co.	5 cars
Taxman Refining Co.	13 cars
East Texas Refining Co.	5 cars
L. O. Carter Co.	5 cars
Premier Refining Co.	10 cars
Texas Pacific Coal & Oil Co.	4 cars

We also purchased five (5) cars of "Q" gasoline from the Rock Island Refining Company.

Yours very truly,

JPS:CHA

5172 GOVERNMENT EXHIBIT NO. 509.

March 23, 1935

To the Budget and Operating Committee

Gentlemen:

Referring to report of sub-committee on gasoline purchases dated March 20, 1935 reference is made to the purchasing of "Q" gasoline for sale under the "66" trade mark in tank car quantities, and also the fact that perhaps the material purchased would not meet our volatility requirements.

The Sales Department is agreeable to the purchase of "Q" gasoline during the summer months only, for sale under the "66" trade mark for shipment into territory which will not affect our pipe line savings, even though there may be a difference in the specifications, for we feel that further advances can be made in the tank car market and resultant increases in the service station price, thereby making our company additional money.

The purchase of tank car "Q" gasoline will effect the market while the purchase from the Barnsdall will have no effect whatever as they are making this material especially for us. With only 250,000 barrels of gasoline to be purchased we feel that same can easily be made between now and September.

A further thought in connection with the purchase of gasoline is that we are committed to a program of supporting the tank car market, and it is very much to our interest to establish a high middle octane price due to the fact that the majority of our sales are based on this bracket in the trade publications.

We recommend the cancellation of the Barnsdall contract to take effect on May 1st and the tank car purchase of "66" gasoline made immediately on the market.

May we have your approval.

Respectfully submitted,

FLK-CHA

cc: Executive Committee.
H. A. Trower
A. M. Hughes
P. R. Phillips
H. A. Gardner

NOTE: *It is stipulated* in Exhibit 715 that this was written by F. L. Koopman and received by at least A. M. Hughes and H. A. Gardner.

5173 **GOVERNMENT EXHIBIT NO. 510.**

Bartlesville, Oklahoma
February 8, 1935

To the Budget and Operating Committee

Gentlemen:

Within the last week the natural gasoline market has decreased one-quarter cent in price. Todays quotation in Texas, for 26#, being three cents and in Oklahoma three and one-quarter.

A check of the market was made yesterday and revealed the fact that in Texas, about the only gasoline available was in the hands of the Warren Petroleum Co. They have been offering rather freely, the past two days, 25 cars, and have 25 cars additional to offer the early part of next week, then over the balance of the month, approximately 75 more cars. Warren has a cargo moving out the latter part of this month, and advise they have sufficient gasoline to cover the commitment.

Hanlon-Buchanan advise they are in very good shape and will only have odd cars to offer over February. This company has a large quantity of gasoline moving export or coastwise the latter part of February.

The only other company who has been offering gasoline on the spot market is the Lone Star Gasoline Company, and they advise that they do not have any to sell over the next ten days and will have only ten cars, over their present commitments, to move over the balance of February.

In order to hold the market at its present level, it will be necessary to purchase approximately 150 cars, which material will have to be shipped to our Houston terminal to apply on future cargo business. At this time, it is doubtful, considering fractionating and storage loss, whether we can make a profit in reselling.

Our estimated sales for the month of February is 1,200,000 gallons less than our purchases, therefore on taking this into consideration, we have very little interest in maintaining the present price structure. A decrease of one-quarter cent in price, balancing sales against purchases, saves the Phillips Petroleum Company approximately $3,000.00.

Due to the fact that 26# and U. S. motor are the same price, and that our purchases exceed our sales, and further we stand a chance of losing money should we buy additional gasoline to support the market, we recommend that we let

the market take its own course and not purchase gasoline at this time.

May we have your approval.

Respectfully submitted,

FLK-CHA

cc: Executive Committee
H. A. Trower
A. M. Hughes
P. R. Phillips
H. A. Gardner

NOTE: *It is stipulated* in Exhibit 715 that this was written by F. L. Koopman and received by at least A. M. Hughes and H. A. Gardner.

5174 GOVERNMENT EXHIBIT NO. 516.

Memorandum
Mr. A. M. Hughes,
Building

Bartlesville, Okla.
May 31, 1935

Dear Sir:

In conversation late Wednesday with Mr. McDowell he stated that the following companies were desirous of selling, for prompt shipment, quantities of gasoline shown opposite the refiners name:

Consumers Oil Co.	20 cars
Wilcox Oil & Gas Co.	15 cars
Dale Moore (broker)	20 cars
Eason Oil Co.	15 cars
Tansel Petroleum Co. (broker)	50 cars
Primrose Oil Co. (broker)	50 cars
Bradshaw (broker)	50 cars
Bell Oil & Gas (broker)	50 cars

The following have "Q" gasoline:

Wilcox Oil & Gas Co.	15 cars
Omar Petroleum Co.	25 cars

Most of the gasoline offered by the above named brokers originates in East Texas. Mr. McDowell stated that after the decision of the NIRA that these brokers had gone in and exerted considerable pressure on the refiners. The East Coast refiners have been letting some gasoline accumulate in East Texas.

He advises that all refiners had agreed to buy their share of this surplus gasoline. As an example he stated the Globe, in Chicago, would take up to forty cars of any material that was in transit and showed up in that area. Our share, he advised, of this surplus gasoline is fifteen cars.

F. L. Koopman

5175 GOVERNMENT EXHIBIT NO. 604.

October 8, 1935.

Mr. T. W. Eason,
Eason Oil Company,
Enid, Oklahoma.

Dear Sir:

I am writing you, urging your attendance in person at the meeting in Kansas City, on October fourteenth.

We are at the beginning of the slackening of demand, and at this meeting there are many things of vital importance to discuss that absolutely require advice and action by the Executives themselves, and upon which they alone should act.

Mr. Arnott will be with us, and no doubt will have much to tell us. I cannot urge you too strongly to attend, with your Sales Manager.

Very truly,
C. M. Boggs

5176 GOVERNMENT EXHIBIT NO. 605.

Telegram

Dallas, Texas
June 28, 1935

O. H. Carlisle
Gulf Refg. Co.
Gulf Bldg.

Cline very anxious move some additional gasoline he advises things getting little shaky and he is afraid market will break if he doesn't get some business Stop Sinclair and Pure only two that have made purchases this week and they have bought seventy five cars this for your information

Hercules Oil Co.
J. M. Bradshaw.

(Handwritten Notation):
"O. H. Carlisle."

(Handwritten Initials):
"JPG"

5177 **GOVERNMENT EXHIBITS NOS. 615-616; 618-619; 621; 623-628, 630-640.**

NOTE: Are the contracts of the government jobber witnesses for the purchase of gasoline from defendant companies. Exhibits 615, 618, 624 and 625 are set out in full as typical, and the price provisions only of the remaining contracts are printed.

5178 **GOVERNMENT EXHIBIT NO. 615.**

Be Square to
Your Motor

B

Barnsdall

Trade Mark Contract

Barnsdall Refineries Inc.
With
Wingrove Oil Company
Sheboygan, Wisconsin

Dated June 3rd, 1931

The World's First Refiner

5179 **Barnsdall Trade Mark Contract**

For Petroleum Products

This Agreement, made between Wingrove Oil Company of Sheboygan, Wisconsin, hereinafter referred to as the Buyer, and the Barnsdall Refineries, Inc., a Delaware Corporation, with general offices at Tulsa, Oklahoma, hereinafter referred to as the Seller:

Witnesseth: That the Buyer agrees to buy and receive and the Seller agrees to sell and deliver on the terms hereinafter set forth, the following petroleum products, to wit:

No. 1 Quantity.

All gasoline and lubricating oils and greases which Buyer may require in his business, estimated as follows:

Be Square Gasoline

Minimum.....	Minimum.....100
Tank cars per month	Tank cars per year
Maximum.....	Maximum.....125

Super-Gas Ethyl Gasoline

Minimum.....	Minimum.....18
Tank cars per month	Tank cars per year
Maximum.....	Maximum.....22

Be Square Lubricating Oils & Velvet

Gallons per year	
Minimum....25,000	Maximum.....30,000

Mona-Motor Lubricating Oils

Gallons per year	
Minimum.....	Maximum.....

Be Square Greases

Pounds per year	
Minimum....25,000	Maximum.....30,000

Be Square Gasoline

No. 2 Quality

This product shall be of similar quality to the regular "Be Square Gasoline" distributed by the Seller throughout its marketing territory and shall conform substantially to

the current specifications of 58-60 U. S. Motor Gasoline, except as same may be improved upon by the Seller.

5180 Super-Gas Ethyl Gasoline

This product shall at all times conform to the current standards required by the Ethyl Gasoline Corporation, except as same may be improved upon by the Seller.

Be Square Lubricating Oils

Same to conform to Seller's current grades and specifications.

Mota-Motor Lubricating Oils

Same to conform to Seller's current grades and specifications.

Be Square Greases

Same to conform to Seller's current grades and specifications.

No. 3 Ethyl Gasoline License

The obligations of the parties hereto relative to Super-Gas Ethyl Gasoline under this contract shall be contingent upon each of said parties obtaining and maintaining in full force and effect license agreements from the Ethyl Gasoline Corporation, and full compliance by each of said parties with all health requirements of said license agreements and under rules and regulations laid down by said Ethyl Gasoline Corporation. Default of either party to do so shall terminate this contract insofar as it relates to Super-Gas Ethyl Gasoline, but such partial termination shall in no way effect the provisions of this contract relative to other products to be furnished hereunder.

No. 4 Shipments

Shipments shall be consigned to the Buyer at the following destinations:

Sheboygan, Wisconsin

Buyer shall give Seller at least Three Days notice before shipments are required; all shipments shall be routed in accordance with Seller's instructions. Seller agrees, however, to respect Buyer's routing as to delivery line. Seller shall not be liable for delays or for non-deliveries caused by fires, floods, strikes or other causes beyond its control and

delivery to the carrier shall constitute delivery to the Buyer.

No. 5 Price Be Square Gasoline

The Buyer shall pay to the Seller for "Be Square Gasoline" in tank car lots, F. O. B.

Group Three, Okla., the "Spot Market" Price for 58-60 U. S. Motor Gasoline on date same is ordered shipped by the Buyer, arrived at in the following manner:

5181 By taking the high and low prices published in the Chicago Journal of Commerce, F. O. B. Group Three, adding the two prices together and dividing the sum by two (2).

No. 6 Price Super-Gas Ethyl Gasoline

The Buyer shall pay to the Seller for all Super-Gas Ethyl Gasoline in tank car lots, f. o. b.

Group Three, Okla., the "Spot Market" price for 58-60 U. S. Motor Gasoline, as provided in Paragraph No. 5 hereof, on date same is ordered shipped by Buyer, plus a premium of Two and One-Half (2½c) Cents per gallon.

No. 7 Guaranteed Margin

When the "Spot Market" prices, arrived at as provided for in Paragraphs Nos. 5 and 6 hereof, plus freight cost per gallon from Group Three, Okla. to destination, allows the Buyer a delivered cost of less than Five-and-a-half (5½) Cents per gallon under the officially posted Service Sta. price of the Standard Oil Company of Indiana or ..... Company for Red Crown Gasoline and/or Red Crown Ethyl Gasoline or ...., as the case may be, the billing price hereunder shall be reduced by the Seller in an amount sufficient to allow the Buyer a margin of Five-and-a-half (5½) Cents per gallon, it being expressly agreed between the parties hereto that the officially posted Service Station price per gallon at point of destination of shipment shall have and always maintain its normal relationship to the generally officially posted Service Station price throughout the state or states in which Buyer operates.

If at any time during the term hereof Seller is required to reduce its price on Be Square Gasoline and Super-Gas Ethyl Gasoline to comply with the foregoing provision for marginal protection, a true record thereof shall be kept by

the parties hereto showing the total amount so allowed to Buyer, and said amount so allowed shall be subject to refund to Seller in the following manner:

If at any subsequent time during the term hereof, price conditions are such that Buyer has a margin in excess of Five-and-a-half (5½) Cents per gallon between delivered cost computed as hereinabove provided and the existing service station price as hereinabove defined (less tax), then Seller shall increase its price per gallon on all gasolines thereafter sold to Buyer hereunder in an amount equal to one-half of such excess; provided such increase shall at no time exceed three-eighth (⅜c) cent per gallon. Such
5182 increased price shall remain effective while such excess between delivered cost and service station price exists, and/or until the Seller has been refunded the total sum theretofore allowed Buyer as marginal protection.

It is understood and agreed that Seller is not obligated to afford marginal protection to Buyer on local competitive conditions unless such conditions are general throughout the state or states in which Buyer operates. However, Seller recognizes the desirability of maintaining a continuing market for its products and recognizes the importance of cooperating with Buyer in meeting local competition from representative distributors.

It is therefore mutually agreed that if at any time during the term hereof the business of Buyer is adversely affected by a local competitive condition, Seller may conduct an investigation to determine the responsibility of Buyer for such local condition and whether Buyer has exercised due diligence to correct the same. If, from such investigation, Seller is satisfied with the efforts of Buyer, Seller may, at its option, grant to Buyer such marginal local protection in such amounts and for such period of time as may be then mutually agreed upon between the parties hereto.

No. 8 Price of Lubricating Oils and Greases

The prices, terms and conditions under which all lubricating oils and greases are to be furnished to Buyer hereunder shall be in accordance with the terms and conditions set forth in a separate contract executed by the parties hereto simultaneously herewith.

No. 9 Terms of Payment

Ten Days from Date of Invoice Less 1% Gasoline and Kerosene, Thirty Days from Date of Invoice Lubricating Oil or Ten Days from Date of Invoice Less 2%.

The Seller shall have the right at any time to alter the above terms or suspend credit whenever, in its opinion, the financial condition of the Buyer warrants it, and in the event Buyer fails to meet credit requirements of the Seller, Seller may suspend shipments or cancel this contract.

No. 10 Taxes

If any tax or other charge is imposed by the Federal Government after execution of this contract and before its complete fulfillment on any of the products sold hereunder, the amount of the tax shall be added to the amount herein provided for, in the event such tax is chargeable against the Buyer.

No. 11 Advertising

It is understood that this is a Barnsdall Trade-Mark Contract and the Seller hereby grants to the Buyer the privilege of using its trade-marks and advertising material, displays, etc. as provided for under Seller's current advertising plan and the Buyer agrees that all products furnished hereunder will be marketed under Seller's Trade-Mark Brands. Seller agrees to expend for advertising purposes in Buyer's distributing territory from time to time and in accordance with its current advertising plan, an amount not to exceed one-fourth cent per gallon on the total Gasoline delivered to the Buyer under this contract. Advertising of Be Square and Mona-Motor Oils and Be Square Greases shall be in accordance with the current advertising plan or policy of the Seller. Buyer agrees to display in prominent locations in and about his place or places of business all advertising material furnished by Seller. All advertising material furnished to the Buyer under this contract shall at all times remain the property of the Seller and upon termination of this contract all usable advertising material shall be returned to the Seller.

5183

No. 12 Ethics

Buyer agrees to market and distribute all products furnished by the Seller hereunder in a diligent and ethical manner, and to refrain from any practices or policies of merchandising such products considered by those engaged in the marketing and distributing of petroleum products as unfair and unethical; to adopt, as near as may be, the policies and standards of the Seller in marketing and distributing such products, and shall make no material changes in

such policies without first conferring with the Seller with reference thereto.

No. 13 Contract Effective

This contract contains the entire agreement between the parties hereto, there being no oral promises, agreements, or warranties affecting same; and contract shall not be valid or effective until approved by a Vice-President or the Treasurer of the Seller.

No. 14 Option to Purchase

If at any time during the term of this contract the Buyer desires to sell and dispose of its business and assets, and said Buyer finds a purchaser ready, able and willing to purchase the same at a bona fide offer, such fact, and the consideration to be paid and the name and post office address of the party offering to make such purchase shall be communicated to the Seller in writing. Thereupon the Seller shall have an option for a period of thirty (30) days after receipt of such written notice to purchase said business and assets at the price offered by such third party. If said option to purchase said business and assets is not exercised within thirty (30) days after receipt of said notice, then the Buyer shall have the right to sell and dispose of its business and assets to said third party at the price so offered, subject, however, to the terms of this contract.

5184 No. 15 Special Conditions

1. It is expressly understood and agreed between the parties hereto that all or any part of the lubricating oils and greases to be furnished to the Buyer under the terms of this contract may be furnished by, and shipped from distributing plants of the O'Neil Oil Company of Milwaukee, Wisconsin, a subsidiary Company of the Seller. In the event Seller desires to furnish said commodities in said manner, it shall notify Buyer thereof in writing and thereupon all orders for such commodities shall be directed by Buyer to said subsidiary Company at Milwaukee, Wisconsin, and remittances therefor shall be made on invoice of said subsidiary Company direct to said point.

2. It is understood that the Buyer under the terms of this contract, is granted the privilege of distributing in addition to the products specified herein, one (1) nationally advertised brand of Pennsylvania Motor Oil; however the Buyer agrees to give preference at all times in his sales efforts to the merchandising of Be Square and Velvet Motor

Oils, in order to obtain the largest distribution possible in his marketing territory.

3. This contract also covers the Buyer's requirements of 64-66 maximum 375 end point gasoline. Price to be the average of the low and high prices quoted in the Chicago Journal of Commerce:

No. 16 Term of Contract

This Contract shall remain in full force and effect for a period of Five Years ~~months~~, beginning June 3rd, 1931 and thereafter from month to month until terminated by either party upon thirty (30) days notice in writing to the other; and shall inure to the benefit of, and be binding upon the parties hereto, their respective heirs, executors, administrators, successors and assigns.

Executed in quadruplicate at Sheboygan, Wisconsin, this 3rd day of June, 1931.

Wingrove Oil Co.

Buyer.

By: Walter H. Wingrove
Title *President.*

Barnsdall Refineries, Incorporated
By: W. W. Rice
Title *Division Manager.*

Approved by: H. M. Edinger
Vice-President or Treasurer.

5185 GOVERNMENT EXHIBIT NO. 616.

Contract between The Texas Company and Wingrove Oil Company, dated June 10th, 1936, for the period June 20th, 1936 to June 19th, 1937:

"(3) Prices. (a) For Texaco Fire-Chief Gasoline in tank car lots F.O.B. Group Three, the average spot market price determined by averaging the high and low spot market prices quoted in the Chicago Journal of Commerce, F.O.B. Group Three on date of shipment for gasoline of the grade corresponding to the Fire-Chief Gasoline shipped under this agreement; provided, however, (1) that if said average spot market price plus freight to point of distribution allows the purchaser a margin (determined on the basis of Seller's normal price structure without regard to local price deflations) of less than five and one-half cents below Seller's normal service station price, exclusive of tax, for Fire-Chief Gasoline at point of distribution then the Purchaser and Seller shall share equally the difference between the actual margin and five and one-half cents and the price shall be adjusted accordingly; (2) if the Seller increases or decreases Seller's regular posted discount to dealers substantially throughout the State of Wisconsin, then there shall be substituted in the preceding part of paragraph for the words "five and one-half cents" wherever they appear an amount of cents equal to five and one-half cents plus or minus, respectively, the amount of said increase or decrease; and (3) in no event shall the price to Purchaser hereunder be less than three and one-half cents per gallon, F. O. B. Group Three.

(b) For Texaco Ethyl Gasoline in tank car lots, the price shall be two (2) cents per gallon more than the price for Fire-Chief Gasoline on date of shipment.

(c) For Indian Gas in tank car lots, the average of the high and low spot market prices quoted in the Chicago Journal of Commerce, F.O.B. Group Three on date of shipment for gasoline of grade corresponding to the Indian Gas shipped under this agreement; provided, however, that (1) at no time shall the price for Indian Gas be higher than one-quarter (¼) cent under the price for Texaco Fire-Chief Gasoline determined in accordance with the provisions of sub-division (a) of this section, on the date of shipment hereunder of the Indian Gas; and (2) in no event shall the price for Indian Gas shipped to purchaser hereunder be less than three cents per gallon, F.O.B. Group Three."

5186 GOVERNMENT EXHIBIT NO. 617.

Letter from The Texas Company to Wingrove Oil Company dated 12/18/36, modifying contract Exhibit 616 as follows:

"Effective November 1st, 1936, we are voluntarily modifying Paragraph (3) Prices (a) of your Agreement dated June 10th, 1936, to read as follows:

"• • • provided, however, (1) that if said average spot market price, plus freight to point of distribution, allows the Purchaser a margin (determined on the basis of Seller's normal price structure without regard to local price deflations) of less than three and one-half (3½) cents below Seller's posted normal tankwagon price, exclusive of tax, for Fire-Chief Gasoline at point(s) of distribution, then the Seller shall allow Purchaser the difference between the actual margin and three and one-half (3½) cents, and the price shall be adjusted accordingly; (2) if the Seller increases or decreases the difference between Seller's posted normal tankwagon price and Seller's posted dealer price substantially throughout the State of Wisconsin, then there shall be substituted in the preceding part of paragraph for the words "three and one-half (3½) cents" wherever they appear, an amount of cents equal to three and one-half (3½) cents, plus or minus, respectively, the amount of said increase or decrease; and (3) in no event shall the price to Purchaser hereunder be less than three and one-half (3½) cents per gallon, f.o.b. Group 3.'

This is a voluntary concession on the part of The Texas Company and is subject to withdrawal by us at any time without notice.

In all other respects said agreement is hereby confirmed."

5187 GOVERNMENT EXHIBIT NO. 618.

Mid-Continent Petroleum Corporation
Sales Contract

This Agreement, Made between D. B. Pedley & Son of Kenosha, Wis., hereinafter referred to as the Buyer, and the Mid-Continent Petroleum Corporation, a Delaware Corporation, with General Offices at Tulsa, Oklahoma, hereinafter referred to as the Seller:

Witnesseth, That the Buyer agrees to buy, and the Seller agrees to sell and deliver, on the terms hereinafter set forth, the following described property, to-wit:

Motor Fuel and Gasoline

No. 1 Total Quantity

A minimum of 704,000 gallons and a maximum of 896,000 gallons of motor fuel and gasoline.

No. 2 Period of Delivery

To be delivered from March 16, 1935, to March 15, 1936 only in monthly installments and only ratably or proportionately during each month as follows, to-wit:

No. 3 Monthly Allotments

	Gallons			Gallons	
	Minimum	Maximum		Minimum	Maximum
January	48,000	64,000	July	80,000	96,000
February	56,000	72,000	August	64,000	80,000
March	56,000	72,000	September	56,000	72,000
April	56,000	72,000	October	56,000	72,000
May	56,000	72,000	November	56,000	72,000
June	64,000	80,000	December	56,000	72,000

No. 4 Grades to be furnished

Said motor fuel and gasoline shall be Seller's regular grade of D-X Motor Fuel and/or NevrNox Ethyl Gasoline and/or Power Gasoline and/or any other grade or grades of motor fuel and gasoline which the Seller is in position to furnish.

5188 No. 5 Price

(A) D-X Motor Fuel. The Buyer shall pay for Seller's regular grade of D-X Motor Fuel the "Spot Market Price" f.o.b. Group 3, Oklahoma, as defined in Clause 6, of 58/60 437 U. S. Motor Gasoline, 63-70 octane number, or said "Spot Market Price" of the grade furnished, as determined by octane specifications, when such price, plus the cost per gallon of freight transportation from Tulsa, Oklahoma, to point of destination, plus a margin of 5½ cents per gallon, does not exceed the normal officially posted service station price, exclusive of tax, at destination, on date of shipment, of the Standard Oil Company of Indiana Company on their Red Crown Gasoline or other similar grade of gasoline as the quality of said gasoline is now maintained or may hereafter be improved. If, however, such Spot Market Price, plus the said cost per gallon of freight transportation, plus the aforesaid margin, exceeds such service station price, then the invoice price of said D-X Motor Fuel shall be reduced by an amount equal to one-half of such excess. The aforesaid margin is based on Seller's present Resellers discount of 3½ cents to Undivided Dealers and Resellers; in the event Seller increases or decreases said Resellers discount to Undivided Dealers and/or Resellers generaly throughout its marketing territory, then the aforesaid margin will be increased or decreased an equal or like amount. It is hereby expressly agreed by the Buyer and Seller that the "normal officially posted service station price" per gallon at point of destination of shipment herein mentioned shall always have and maintain its normal relation to the general officially posted service station price throughout the marketing territory of the party posting such price. The normal officially posted service station price (exclusive of Federal and State motor fuel taxes) at destination on date of this contract is as follows:

Normal S. S. Price (exclusive of Federal and State motor fuel taxes)	Destination	Freight Rate, Group 3 to Destination
13.2	Kenosha, Wis.	

(B) NevrNox Ethyl Gasoline. The price of NevrNox Ethyl Gasoline supplied under this contract shall be Two Cent (2c) per gallon more than the contract price hereunder for D-X Motor Fuel, on date of shipment.

5189 (C) Power Gasoline. The price of Power Gasoline supplied under this contract shall be the "Spot

Market Price" f.o.b. Group 3, Oklahoma, as defined in Clause 6, of 58/60 437 U. S. Motor Gasoline, 62 and below octane number, on date of shipment; or ¼c under the price of D-X Motor Fuel, whichever price is lower.

(D) Other Grades of Motor Fuel and Gasoline. The price of other grades of motor fuel and gasoline supplied under this contract shall be the "Spot Market Price" of the grade furnished, f.o.b. Group 3, Oklahoma, as defined in Clause 6, on date of shipment.

(E) During the life of this contract, the contract price per gallon as determined herein, of D-X Motor Fuel to be supplied hereunder shall not be less than:

3.0c when the average officially posted price of 36 gravity Oklahoma crude oil at the well is 50c and below per bbl.

3.5c when the average officially posted price of 36 gravity Oklahoma crude oil at the well is 51c to 75c per bbl.

4.0c when the average officially posted price of 36 gravity Oklahoma crude oil at the well is 76c to $1.00 per bbl.

4.5c when the average officially posted price of 36 gravity Oklahoma crude oil at the well is $1.01 and above.

No. 6 Spot Market Price

The "spot market price" per gallon f.o.b. Group 3, Oklahoma, shall be the average of the minimum and of the maximum prices, of the average of the prices, of gasoline and motor fuel, as published in the Chicago Journal of Commerce, Chicago, Illinois and Platt's Oilgram, Tulsa edition (Oklahoma markets) on the date on which shipment is made. In the event that no prices are published on date shipment is made, then prices published on last date prior to shipment shall apply. If during the life of this contract either of said publications shall be discontinued and/or publication of prices of gasoline therein is discontinued, then the "spot market price" shall be determined from the prices contained in the remaining publication, in the manner above stated; and in the further event that no price of the grade of motor fuel and/or gasoline furnished be published by either of the aforesaid publications, then the "spot market price" shall be the current "spot" price of Seller.

5190 No. 7 Terms of Payment

1% ten days, thirty days net. The Seller shall have the right at any time to alter or suspend credit whenever in its

opinion the financial condition of the Buyer warrants it, and in the event Buyer fails to meet the credit requirements of Seller, Seller may cancel this contract.

No. 8 General Conditions

The general conditions, clauses 9 to 23 inclusive, printed on the reverse side hereof are parts of this contract.

Executed at Tulsa, Oklahoma, this 12 day of June, 1935.

D. B. Pedley & Son
Buyer
By Elmer H. Pedley
Mid-Continent Petroleum Corporation
By R. W. McDowell
Vice-President.

.....
Salesman or Agent.
Walter J. Herr
Division Sales Manager
Examined by B. Henderson

5191 General Conditions

No. 9 Lubricating Oils

In consideration of the premises, the Buyer also agrees to purchase from the Seller during the period of this contract all of Buyers requirements of lubricating oils which the Seller is in position to furnish.

No. 10 Shipments

The Buyer shall furnish to the Seller shipping instructions for the motor fuel and gasoline covered by this contract at least six days prior to the date when shipments are ordered to be forwarded. It is agreed that the Seller shall not be liable for delays or for non-deliveries caused by fires, floods or strikes, or other causes beyond its control, and that delivery to carrier shall constitute delivery to Buyer. The Buyer agrees to unload the cars of Seller at the destination to which they were originally consigned and not to divert said cars without the written consent of the Seller. It is understood and agreed that shipments may be made in either 8,000 or 10,000 gallon capacity cars at the option of the Seller and that shipments may be made from any point of origin at the option of the Seller, but that Seller shall be required to protect and Buyer shall pay the legally applicable rail freight rate in effect from

Group 3 Oklahoma to point of destination. It is further agreed that the Seller will route shipments so that delivery will be made to the Buyer by any railroad designated by the Buyer which can make such delivery, but that no rail route shall be used from any point of shipment which is not consistent with the policy of the Seller or which would produce total freight charges in excess of the legally applicable rail freight rate from Group 3 to point of destination.

No. 11 Contract Divisible

This contract shall be construed as a divisible one as to each and every installment period of one month, and a failure to deliver or to take and accept at least Sixty (60%) of the quantity of motor fuel and/or gasoline called for in any such installment period shall constitute a material breach of this contract.

No. 12 Resale

The Buyer agrees that the gasoline or motor fuel delivered under this contract will not be resold in tank car or tank wagon lots to other distributors, dealers or wholesalers of petroleum products without specific written approval of the Seller's Division Manager.

5192 No. 13 Taxes

All taxes, fees or other charges, of whatsoever nature or kind, now or hereafter imposed by Local, State or Federal Government, upon any of the motor fuel and/or gasoline sold hereunder, or upon the production, shipment, storage, sale and/or inspection thereof, shall be borne by the Buyer.

No. 14 Ethyl

The Buyer agrees that in handling, distributing and selling Ethyl gasoline or any motor fuel and/or gasolene treated with tetra ethyl lead, or any anti-knock compound, it will, in so far as same apply to health measures, do so in accordance with the rules and regulations now in existence or which may hereafter be issued from time to time by the Ethyl Gasoline Corporation, the Office of the Surgeon General of the United States Public Health Service, the Department of Health of the State, the municipality wherein such handling, distribution and selling takes place and/or any other governmental agency having jurisdiction in the premises, and that it will have its

employees properly instructed with respect to said rules and regulations, and the Seller hereby reserves the right to and will cancel this contract, in the event the Buyer fails to comply with the aforesaid rules and regulations, or any of them, in so far as the same apply to health measures. And the Buyer hereby agrees to impose similar obligations to those contained in the preceding sentence for any and all subsequent sales of the aforesaid Ethyl gasoline or any motor fuel and/or gasoline treated with tetra ethyl lead, or any anti-knock compound, for resale, including the reserved right of cancellation and agreement to cancel for failure to comply. It is agreed that the Seller assumes no responsibility for or by reason of the issuance, promulgation or following of any of the aforesaid rules and regulations, and the Buyer agrees to hold Seller harmless for any injury or injuries or claim based on any injury or alleged injury that may happen to any employee or employees of the Buyer or anyone else in connection with Buyer's handling, distribution and/or selling, of the aforesaid Ethyl gasoline or any motor fuel and/or gasoline treated with tetra ethyl lead, or any anti-knock compound, except in case of proven negligence on the part of Seller. Buyer agrees that in selling, offering for sale and/or advertising Ethyl gasoline sold hereunder, it will apply to said gasoline the name of NevrNox Ethyl, with the registered trademark design and name of the aforesaid Ethyl Gasoline Corporation connected therewith in a form satisfactory to said Ethyl Gasoline Corporation, and will obligate purchasers for re-sale to conform to this requirement.

5193 No. 15 Option

In consideration of the premises, it is further agreed that in the event the Buyer at any time during the period of this contract desires to sell all or any part of the Buyer's business and/or properties, the Seller shall have and is hereby given an option to purchase the same at the best price offered by any bona fide purchaser. And in the event Seller fails to exercise its said option within thirty (30) days after being notified, in writing, by the Buyer of its desire to sell and of the best price offered, Buyer shall be relieved of all further responsibility in this connection.

No. 16 Excuses for Non-Performance

If either Buyer or Seller is prevented from performing this contract by reason of fires, floods, strikes, embargoes,

acts of God or other causes beyond its control, said party shall be excused from such performance during the existence of such cause.

No. 17 Re-sale Prices

The Seller hereby reserves the right, as provided for in Rule 26, Article V, of the Code of Fair Competition for the Petroleum Industry, to hereafter fix and determine the prices for which the products hereby contracted to be sold shall be re-sold by the Buyer.

No. 18 Cancellation

Seller may cancel this contract and refuse to make further shipments, after five (5) days written notice for a breach by Buyer of any of the terms and provisions hereof. All of the covenants and conditions of this contract are subject to the provisions of the National Industrial Recovery Act and the Code of Fair Competition for the Petroleum Industry, effective September 2, 1933, and any modifications thereof, amendments thereto, orders, regulations or interpretations issued in connection therewith. In case any requirement of any Local, State or of the Federal Government, or any agent thereof, materially affects the carrying out of the provisions of this contract by either Buyer or Seller, either of said parties may cancel this contract.

No. 19 Waiver of Rights

The failure of Seller to insist, in any one instance or more, upon the performance of any of the covenants or conditions of this contract, or to exercise any right or privilege herein conferred, shall not be construed as thereafter waiving any such covenants, conditions, rights or privileges but the same shall continue and remain in full force and effect.

5194 No. 20 Notice of Cancellation

Notice of cancellation by the Buyer or Seller shall be in writing, transmitted by registered mail to the other interested party at his last known address, which cancellation shall take effect on the day of the deposit of the registered letter in the Post Office; and upon mailing of such notice, all liability hereunder shall cease except as to prior delivery.

No. 21 Alterations

This contract contains the entire agreement between the parties hereto; there are no oral promises, agreements or warranties affecting it; and no prior or subsequent agreement adding to, altering or waiving any of the provisions shall be valid unless in writing and similarly executed.

No. 22 Contract Effective

This contract shall not be valid and/or effective until executed by the President or a Vice-President of the Seller.

No. 23 Special Conditions

5195 GOVERNMENT EXHIBIT NO. 619.

Contract between Phillips Petroleum Company and Marathon County Oil Company, dated April 6, 1934, for the period from April 6, 1934 to April 5, 1935:

"5. Price: Buyer shall pay to Seller, subject to the conditions hereinafter stated, the spot market price (as defined in Paragraph Six) f. o. b. Group III, Oklahoma, for Phillips "66" Gasoline shipped hereunder; provided that in the event such spot market price plus freight to destination, plus five cents (5¢) per gallon, exceeds the normal official service station price (exclusive of tax) of the Standard Oil Company of Indiana, ..., on its Standard Red Crown Gasoline as such quality is maintained on the date when this contract is executed, the Buyer shall pay Seller the spot market price less an amount equal to one-half (½) of the excess; provided, further, however, that if at any time during the life of this contract the price per gallon as determined herein is less than the average posted market price of the standard purchasing companies of two gallons of 36 gravity Oklahoma crude oil at the wells, then Seller shall have the right, at its option, to cancel and terminate this contract by giving Buyer ten (10) days notice of its intention to exercise said option. In the event the dealers gasoline contract

quantity discount of the Standard Oil Company of Indiana on its Standard Red Crown gasoline, for quantities sold each month in excess of 500 gallons, is more or less than two and one-half cents (2½¢) per gallon at time of any shipment, the margin of five cents (5¢), as mentioned above, will increase or decrease in the same amount.

The price of Phillips "66" Ethyl Gasoline supplied under this contract shall be two cents (2¢) per gallon more than the contract market price for Phillips "66" Gasoline on date of shipment.

The price of Unique Gasoline supplied under this contract shall be one-quarter cent (¼¢) per gallon less than the contract market price for Phillips "66" Gasoline on date of shipment, but in no event to exceed the average of the high and low prices as shown in the publications mentioned in Paragraph Six, for U. S. Motor Gasoline, of the same octane rating as Phillips Unique Gasoline.

This contract is based upon the normal official service station price (exclusive of tax) at destination listed below, which on this date is as follows:

Location Wausau, Wis., Normal S. S. Price (exclusive of Tax) 15.3 Freight Rate from Group 3 46¢.

5196 "6. Spot Market Price: The spot market price per gallon, f. o. b., Group III, Oklahoma, shall be ascertained by taking the prices for U. S. Motor Gasoline, of the same octane rating as Phillips "66" Gasoline, as published in the Chicago Journal of Commerce, Chicago, Illinois, and Platt's Oilgram, Tulsa Edition, (Oklahoma Markets), using the prices printed in said publications issued on the date, or the last issue prior to that, on which shipment is made; adding the prices of said gasoline carried in said publications, using minimum and maximum prices where shown, and dividing the total sum of such prices so added by the number of prices so added, the result so obtained to be the spot market price; provided that in case either of the said publications should be discontinued, and/or prices of gasoline therein discontinued, during the life of this contract, then and in that event, the spot market price shall be determined from the prices carried in the remaining publication, and in the manner herein stated."

5197 **GOVERNMENT EXHIBIT NO. 620.**

Letter from Phillips Petroleum Company to Marathon County Oil Company, dated November 26, 1934:

"In the gasoline sales contract which you hold with this company, it is provided in paragraph 5, in part, as follows:

'The six cent margin referred to above is based upon the present established undivided dealer combined discount and rental of four cents ($0.04) per gallon in Buyer's territory. Should such combined discount and rental be changed during the life of this contract, Seller shall have the right to adjust the above margin by increasing or decreasing the same; provided that no reduction shall be made below Seller's general current jobbers margins in Buyer's territory.

"You are advised that effective December 1, 1934, the undivided dealer combined discount and rental in your territory has been reduced to three and one-half cents per gallon. Accordingly, effective December 1, 1934 and until further notice, the protection of six cents per gallon referred to in paragraph 5 of your contract will be reduced to five and one-half cents per gallon subject to all the terms of the contract."

5198 **GOVERNMENT EXHIBIT NO. 621.**

Contract between Phillips Petroleum Company and Marathon County Oil Company, dated June 5th, 1935 for the period from June 5th, 1935 to June 4th, 1936:

"5. Price: Buyer shall pay to Seller, subject to the conditions hereinafter stated, the spot market price (as defined in Paragraph Six) f. o. b., Group III, Oklahoma, for Phillips "66" Gasoline shipped hereunder; provided that in the event such spot market price plus freight to destination, plus five-one half per gallon (sometimes referred to herein as "margin") exceeds the normal official service station price (exclusive of Tax) of the Standard Oil Company of Indiana on its Red Crown gasoline as such quality is maintained on the date when this contract is executed, then Buyer shall pay Seller the spot market price less an amount equal to one-half the excess; provided, further, however, that the price for Phillips "66" Gasoline shipped hereunder shall not be less than the following schedule based upon the current average posted market price of 36 gravity Oklahoma crude oil at the well, to wit:

Posted Price of 36 gravity crude oil:	Price of Gasoline:
$0.50 and below per barrel	$0.03 per gallon
0.51 to $0.75 per barrel	0.035 per gallon
0.76 to 1.00 per barrel	0.04 per gallon
1.01 to 1.25 per barrel	0.045 per gallon

with increase of $0.005 per gallon of gasoline for each increase of $0.25 per barrel in price of crude oil above $1.25.

The five and one-half cent (5½) margin referred to above is based upon the present established undivided dealer combined discount and rental of three one-half cents gallon in Buyer's territory. Should such combined discount and rental be changed during the life of this agreement, Seller shall have the right to adjust the above margin by increasing or decreasing the same; provided that no reduction shall be made below Seller's general current jobber margins in Buyer's territory.

5199 The price of Phillips "66" Ethyl Gasoline supplied under this contract shall be two cents ($0.02) per gallon more than the contract market price for Phillips "66" Gasoline on date of shipment.

The price of Unique Gasoline supplied under this contract shall be one-quarter cent ($0.0025) per gallon less

than the contract market price for Phillips "66" Gasoline on date of shipment, but in no event to exceed the average of the high and low prices as shown in the publications mentioned in Paragraph Six, for U. S. Motor Gasoline, of the same octane rating as Phillips Unique Gasoline.

This contract is based upon the normal official service station price (exclusive of tax) at destination listed below, which on this date is as follows:

Location Wausau, Wis., Normal S. S. Price (exclusive of tax) 13.9 Freight Rate from Group 3, .03102.

6. Spot Market Price: The spot market price per gallon, f. o. b., Group III, Oklahoma, shall be ascertained by taking the prices for U. S. Motor Gasoline, of the same octane rating as Phillips "66" Gasoline, as published in the Chicago Journal of Commerce, Chicago, Illinois, and Platt's Oilgram, Tulsa Edition, (Oklahoma Markets), using the prices printed in said publications issued on the date, or the last issue prior to that on which shipment is made; adding the prices of said gasoline carried in said publications, using minimum and maximum prices where shown, and dividing the total sum of such prices so added by the number of prices so added, the result so obtained to be the spot market price; provided, that in case either of the said publications should be discontinued, and/or prices of gasoline therein discontinued, during the life of this contract, then and in that event, the spot market price shall be determined from the prices carried in the remaining publication, and in the manner herein stated; provided, further that should both of the above publications be discontinued or should the quotation of prices for gasoline therein be discontinued, or should the prices of gasoline be quoted upon a basis other than octane rating, or if for any other reason the method provided herein for determining the spot market price of gasoline shall fail, then the prices for said product shall be determined in accordance with the fair market price of comparable grades of gasoline in the same locality.

5200 GOVERNMENT EXHIBIT NO. 623.

Contract between Pennsylvania Oil Company and Barnsdall Refineries, Inc., dated January 26th, 1933 for the period of five years beginning February 1, 1933, together with an agreement between these parties and others dated January 30, 1933:

"No. 5 Price Be Square Gasoline

Buyer shall pay to Seller for 'Be Square Gasoline' in tank car lots, F. O. B. Group 3, the 'Average Market' price for 58-60 U. S. Motor Gasoline (57-64 Octane) on the shipping date specified by Buyer, computed in the following manner: Average of high and low of grade as published above in Chicago Journal of Commerce.

When the 'Average Market' price, arrived at as provided in the foregoing paragraph, plus freight cost per gallon from Group 3 to destination, allows Buyer a delivered cost of less than five Cents per gallon under the officially posted service station price of the Standard Oil Company of Indiana for Red Crown Gasoline, the billing price hereunder shall be reduced by Seller in an amount sufficient to allow Buyer a margin of five Cents per gallon, it being expressly agreed between the parties that the officially posted Red Crown price per gallon at the point of destination shall always maintain its normal relationship to the generally officially posted Red Crown price throughout the state or states in which Buyer operates.

If at any time during the term hereof Seller is required to reduce its price on Be Square Gasoline to comply with the foregoing provision for marginal protection, a true record thereof shall be kept by the parties hereto showing the total amount of the reductions so allowed to Buyer and said amount so allowed shall be subject to refund to Seller in the following manner:

If at any subsequent time during the term hereof price conditions are such that Buyer has a margin in excess of 5¼ Cents per gallon between delivered cost computed as hereinabove provided and the existing Red Crown price as above defined (less tax), then Seller shall increase its price per gallon on all gasolines thereafter sold to Buyer in amount equal to one-half of such excess; provided such increase shall at no time exceed three-eighth cent (⅜c) per gallon. This increased price shall remain effective while the excess between the delivered cost and service station

price exists until Seller has been refunded the total sum theretofore allowed Buyer during the time the Seller
5201 was required to reduce its price. Buyer agrees to pay said total sum allowed which has not been thus refunded immediately upon the termination of this contract for any cause by either party before the date of expiration provided herein.

It is understood and agreed that the Seller is not obligated to afford marginal protection to Buyer on local competitive conditions unless such conditions are general throughout the State or states in which Buyer operates. However, Seller recognizes the desirability of maintaining a continuing market for its product and recognizes the importance of cooperating with Buyer in meeting local competition from representative distributors.

It is therefore mutually agreed that if at any time during the term hereof the business of Buyer is adversely affected by a local competitive condition, Seller may conduct an investigation to determine the responsibility of Buyer for such local condition and whether Buyer has exercised due diligence to correct the same. If, from such investigation, Seller is satisfied with the efforts of Buyer, Seller may, at its option grant to Buyer such marginal local protection in such amounts and for such period of time as may be then mutually agreed upon between the parties hereto.

No. 6 Price Super-Gas Ethyl

The price of the Super-Gas Ethyl Gasoline supplied under this contract shall be two and one-half cents (2½c) per gallon more than the price for Be Square Gasoline on the shipping date specified by buyer.

No. 7 Price Third Grade Gasoline

The price shall be the low spot market price of the Chicago Journal of Commerce for below 57 Octane Gasoline, f. o. b. Group Three; however, at no time shall the billing price exceed one-fourth cent (¼c) per gallon under the billing price of Be Square Gasoline on the same date.

If there is no issue of the Chicago Journal of Commerce and/or Platt's Oilgram on date of shipment, as provided in paragraphs 5, 6, and 7, quotations in the last preceding day's issue shall govern. In the event either of the publications above mentioned is discontinued or either discontinues carrying quotations on gasoline, quotations from the remaining publication shall be used in the manner herein provided.

No. 8 Notice of Price Change

Buyer further agrees to inform Seller at Tulsa, Oklahoma, by 'collect' telegraphic message the amount and effective date of any change at any point within its marketing territory in the general posted tank wagon and
5202 service station market on Red Crown Gasoline and on the Third Grade Gasoline sold by Standard Oil Co. of Indiana, immediately following said change.

No. 17 Q. D. A.

It is mutually understood and agreed that the marginal protection as outlined in Paragraph No. 5 is based on the present published Q. D. A. (quantity discount agreements with resale retail dealers or service stations) of the Standard Oil Co. of Indiana which at the present time is two and one-half cents (2½c.) per gallon on Red Crown Gasoline and three cents (3c.) per gallon on Red Crown Ethyl Gasoline, and should the Standard Oil Co. of Indiana increase or decrease the Q. D. A. as outlined above at any time during the period of this contract, then in that event, the basis of marginal protection as provided in Paragraph No. 5 will be increased or decreased to the full extent of said change by the Standard Oil Co. of Indiana in the Q. D. A."

5203 GOVERNMENT EXHIBIT NO. 624.

Socony-Vacuum Oil Company, Incorporated
White Eagle Division
Sales Franchise

This Agreement, Made this 24 day of May, 1935 between Harry Fee of Waterloo, Ia., as Buyer, and Socony-Vacuum Oil Company, Incorporated, as Seller:

Witnesseth:

No. 1 Quantity

Seller agrees to sell and deliver and Buyer agrees to purchase from Seller, Buyer's entire requirements of gasoline, kerosene and distillate to be shipped in tank cars, and of lubricating oils, greases and other petroleum products to be shipped in packages of sizes currently in use by Seller, for resale from bulk stations located at:

Waterloo, Iowa.

Buyer estimates annual requirements to be:

225,000 Gal. Gasoline	50,000 Gal. Kerosene
..... Gal. Distillate	6,000 Gal. Lubricating Oil

No. 2 Period

This agreement shall continue in effect for a period of one year from May 24 1935 and from year to year thereafter; provided, however, that either party may cancel the agreement at the expiration of any yearly period by giving the other party written notice of its intention to cancel same at least thirty (30) days prior to said expiration date.

No. 3 Contract Price

(A) Mobilgas. The price of Mobilgas supplied under this contract shall be the tank car market price defined in Clause No. 4, except that: In the event such tank car market price fails to allow the Buyer a margin under the normal service station price at Buyer's station equal to the Seller's established undivided reseller's discount applicable in Buyer's marketing area, plus two cents (2c), then

the Seller shall reduce the billing price of Mobilgas 50% of such deficiency; provided, however, that Seller shall not be obligated under this Clause to reduce his billing price f. o. b. Group 3 to less than 3½c, per gallon.

5204 Normal service station price is understood to be the statewide price of Buyer's principal competitors, freight differentials between various points considered. Buyer's margin is then the difference between such normal service station price and the tank car market price, plus Group 3 freight (Tulsa, Oklahoma) to Buyer's station with no deductions of any kind.

	Service Station Price (Taxes not included) Mobilgas	
Town	Present Price	Normal Price
Waterloo	13²	13²
.....	.....	.....
.....	.....	.....
.....	.....	.....

(B) Mobilgas Ethyl. The tank car price of Mobilgas Ethyl supplied under this contract shall be two cents, (2¢) per gallon more than the contract price hereunder for Mobilgas on date of shipment.

(C) Metro Gasoline. The tank car price of Metro Gasoline supplied under this contract shall be the tank car market price defined in clause No. 4, except that a minimum differential of one-fourth cent (¼¢) per gallon under the price of Mobilgas as defined in (A) is guaranteed.

(D) Other Grades of Gasoline. The price of other grades of gasoline supplied under this contract shall be the tank car market price for Mobilgas on date of shipment plus or minus, as the case may be, the Seller's established market differential on the date of shipment between Mobilgas and such other grade or grades.

(E) White Eagle Kerosene. The tank car price of White Eagle Kerosene supplied under this contract shall be the tank car market price defined in Clause No. 4.

(F) White Eagle Distillate. The tank car price of White Eagle Distillate supplied under this contract shall be the tank car market price defined in Clause No. 4.

(G) Other Refined Oils. The tank car price of other refined oils supplied under this contract shall be the current spot market price of the Seller.

5205 No. 4 Market Price

The Tank Car Market price (per gallon) f. o. b. Oklahoma Group 3 (Tulsa, Oklahoma), shall be the average of the minimum and maximum price f. o. b. Oklahoma Group 3, as shown in both Platt's Oilgram Tulsa edition (Oklahoma refinery market) and the Chicago Journal of Commerce, for the date on which shipment is made, for Motor Gasoline of the same grade and octane rating and/or kerosene of the same grade and/or distillate of the same grade. In the event that no prices are published for date shipment is made, then prices published for last date prior to shipment shall apply. If during the life of this contract either of said publications shall be discontinued, and/or publication of prices of gasoline and/or kerosene and/or distillate therein is discontinued, then the Tank Car market price shall be determined from the prices contained in the remaining publication, in the manner above stated; and in the further event that no price of the grade of gasoline and/or kerosene and/or distillate furnished be published by either of the aforesaid publications, then the "tank car market price" shall be the current "spot" price of Seller. In the absence of specific prices on "prime white" distillate, the price shall be one-eighth cent (⅛¢) higher than on straw distillate.

No. 5 Freight Equalization

When prevailing freight rate from Seller's refinery to Buyer's station is lower than from Group 3 (Tulsa, Oklahoma) to said station, such difference shall be equalized in Seller's billing price, making Buyer's net cost the Group 3 contract price provided herein plus freight rate from Group 3 (Tulsa, Oklahoma) as published and in effect on date of shipment.

No. 6 Terms of Payment

Terms shall be Arrival Draft less one per cent in the absence of special credit arrangements approved by Seller. Continuance of special credit arrangement shall be at option of Seller.

No. 7 Advertising and Trade Brands

Buyer agrees at all times to maintain the integrity of Seller's brands, trade names and trademarks and to use every precaution to prevent mixing, adulteration, contamination or substitution. The Socony-Vacuum or White

Eagle names, emblems and advertising shall be used to identify and advertise only products furnished by Seller. All advertising material furnished by Seller shall be used exclusively at outlets supplied by Buyer and is not to be transferred to the custody of any one else without the written consent of Seller. Buyer agrees to immediately discontinue the display of Socony-Vacuum or White Eagle advertising materials and use or display of the Socony-Vacuum or White Eagle names or emblems in any manner or form upon the termination of this con-
5206 tract, and in the absence of a new agreement specifically authorizing its continued use. Seller reserves the right to change the trade name of, or to adopt a new trade name for any of its products at any time.

No. 8 Successors

This contract shall run in favor of, and be binding upon the heirs, administrators, successors and assigns of the parties hereto. This contract may not be assigned by the Buyer without the written consent of the Seller.

No. 9 Taxes

Any tax or other charge imposed by Governmental authority upon any of the goods herein described or the production, sale, or shipment thereof, shall be in addition to the price stipulated herein.

No. 10 Marketing Practices

Seller may cancel this contract and refuse to make further shipment in the event Buyer does not conduct his business in a manner considered by those engaged in the petroleum marketing industry as fair and ethical; or if Buyer fails or refuses to observe resale prices fixed and determined by the Seller for the products hereby contracted as provided for in Rule 26, Article 5 of the Code of Fair Competition for the Petroleum Industry.

No. 11 Territory Franchise

Buyer agrees that no products by him hereunder shall be sold beyond the limits of the territory outlined on the map attached hereto and made a part hereof, which is the Buyer's normal marketing territory, without the written consent of the Seller.

No. 12 Distribution

The Buyer agrees that the products delivered under this contract will not be resold in tank car lots without specific, written approval of the Seller; nor will any products shipped to Buyer under this contract be diverted or stopped in transit by Buyer without consent of Seller.

No. 13 Ethyl License

Seller's obligation to sell and Buyer's obligation to buy Mobilgas or Mobilgas Ethyl under the terms hereof shall at all times be conditioned upon the concurrent possession of requisite license from Ethyl Gasoline Corporation by both parties, and the termination of either the Seller's license or the Buyer's license for any reason shall operate from and after the date of such termination to discharge both parties hereto from any further obligation to buy or sell Mobilgas or Mobilgas Ethyl gasoline hereunder.

5207 No. 14 Delay

Fire, flood, strikes, differences with workmen, accidents, to plant or machinery, failure of or unusual conditions surrounding the usual source of supplies or material, or other causes beyond the control of either party shall be sufficient excuse for any delay or failure upon the part of either party to perform this contract, provided however, that such party shall notify the other with reasonable promptness as to the existence of such causes.

No. 15 Contract Effective

This contract contains the entire agreement between the parties hereto except as to prices and terms of sale for lubricating oils and greases which are covered in a separate Memorandum of Agreement. There are no oral promises, agreements or warranties affecting it and contract shall not be valid and/or effective until approved by a sales executive of Seller.

Harry Fee
Buyer.

Executed This 24th day of May 1935

Socony-Vacuum Oil Company, Inc.
White Eagle Division
By F. M. Elliott
Salesman.

Approved
By R. D. Mering
E. G. D.
C. J.

5208 **GOVERNMENT EXHIBIT NO. 625.**

Socony-Vacuum Oil Company, Incorporated
White Eagle Division
Sales Franchise

This Agreement, Made this 19th day of November, 1935, between Harry Fee of Waterloo, Iowa, as Buyer, and Socony-Vacuum Oil Company, Incorporated, as Seller:

Witnesseth:

No. 1 Quantity

Seller agrees to sell and deliver and Buyer agrees to purchase from Seller, Buyer's entire requirements of gasoline, kerosene and distillate to be shipped in tank cars, and of lubricating oils, greases and other petroleum products to be shipped in packages of sizes currently in use by Seller, for resale from bulk stations located at:

.....

.....

.....

Buyer estimates annual requirements to be:

225,000 Gal. Gasoline
..... Gal. Distillate
50,000 Gal. Kerosene
6,000 Gal. Lubricating Oil

No. 2 Period

This agreement shall continue in effect for a period of one year from Nov. 19th, 1935, and from year to year thereafter; provided, however, that either party may cancel the agreement at the expiration of any yearly period by giving the other party written notice of its intention to cancel same at least thirty (30) days prior to said expiration date.

No. 3 Contract Price

(A) Mobilgas—The price of Mobilgas supplied under this contract shall be the tank car price defined in Clause 4 except in the event such tank car market price fails to allow the Buyer a margin of 3½¢ under the Seller's posted normal tank wagon price at Buyer's station, then the Seller shall reduce the billing price of Mobilgas 50% of

such deficiency. It is understood and agreed that in the event that the Seller increases or decreases the present differential of 1½¢ between the Seller's posted normal tank wagon price and the Seller's posted normal price to dealers generally throughout the state of Iowa, then the 3½¢ base margin mentioned above shall be increased or decreased in like amount. Seller shall in no case, however, be obligated under this clause to reduce his billing price f. o. b. Group 3 to less than 3½¢ per gallon. Buyer's margin referred to above is the difference between Seller's normal tank wagon price and the tank car market price, plus Group 3 Freight (Tulsa, Oklahoma) to Buyer's station with no deductions of any kind.

5209

Town	Tank Wagon Price (Taxes not included) Mobilgas Present Price	Normal Price
Waterloo, Iowa	13 5 S S 11 5 T W	13 5 SS 11 5 TW

(B) Mobilgas Ethyl. The tank car price of Mobilgas Ethyl supplied under this contract shall be two cents, (2¢) per gallon more than the contract price hereunder for Mobilgas on date of shipment.

(C) Metro Gasoline. The tank car price of Metro Gasoline supplied under this contract shall be the tank car market price defined in clause No. 4, except that a minimum differential of one-fourth cent (¼¢) per gallon under the price of Mobilgas as defined in (A) is guaranteed.

(D) Other Grades of Gasoline. The price of other grades of gasoline supplied under this contract shall be the tank car market price for Mobilgas on date of shipment plus or minus, as the case may be, the Seller's established market differential on the date of shipment between Mobilgas and such other grade or grades.

(E) White Eagle Kerosene. The tank car price of White Eagle Kerosene supplied under this contract shall be the tank car market price defined in Clause No. 4.

(F) White Eagle Distillate. The tank car price of White Eagle Distillate supplied under this contract shall be the tank car market price defined in Clause No. 4.

(G) Other Refined Oils. The tank car price of other refined oils supplied under this contract shall be the current spot market price of the Seller.

5210 No. 4 Market Price

The Tank Car Market price (per gallon) f.o.b. Oklahoma Group 3 (Tulsa, Oklahoma), shall be the average of the minimum and maximum price f.o.b. Oklahoma Group 3, as shown in both Platt's Oilgram Tulsa edition (Oklahoma refinery market) and the Chicago Journal of Commerce, for the date on which shipment is made, for Motor Gasoline of the same grade and octane rating and/or kerosene of the same grade and/or distillate of the same grade. In the event that no prices are published for date shipment is made, then prices published for last date prior to shipment shall apply. If during the life of this contract either of said publications shall be discontinued, and/or publication of prices of gasoline and/or kerosene and/or distillate therein is discontinued, then the Tank Car Market price shall be determined from the prices contained in the remaining publication, in the manner above stated; and in the further event that no price of the grade of gasoline and/or kerosene and/or distillate furnished be published by either of the aforesaid publications, then the "tank car market price" shall be the current "spot" price of Seller. In the absence of specific prices on "prime white" distillate, the price shall be one-eighth cent (⅛¢) higher than on straw distillate.

No. 5 Freight Equalization

When prevailing freight rate from Seller's refinery to Buyer's station is lower than from Group 3 (Tulsa, Oklahoma) to said station, such difference shall be equalized in Seller's billing price, making Buyer's net cost the Group 3 contract price provided herein plus freight rate from Group 3 (Tulsa, Oklahoma) as published and in effect on date of shipment.

No. 6 Terms of Payment

Terms shall be Arrival Draft less one per cent in the absence of special credit arrangements approved by Seller. Continuance of special credit arrangement shall be at option of Seller.

No. 7 Advertising and Trade Brands.

Buyer agrees at all times to maintain the integrity of Seller's brands, trade names and trademarks and to use every precaution to prevent mixing, adulteration, contamination or substitution. The Socony-Vacuum or White

Eagle names, emblems and advertising shall be used to identify and advertise only products furnished by Seller. All advertising material furnished by Seller shall be used exclusively at outlets supplied by Buyer and is not to be transferred to the custody of any one else without the written consent of Seller. Buyer agrees to immediately discontinue the display of Socony-Vacuum or White Eagle advertising materials and use or display of the Socony-Vacuum or White Eagle names or emblems in any
5211 manner or form upon the termination of this contract, and in the absence of a new agreement specifically authorizing its continued use. Seller reserves the right to change the trade name of, or to adopt a new trade name for any of its products at any time.

No. 8 Successors

This contract shall run in favor of, and be binding upon the heirs, administrators, successors and assigns of the parties hereto. This contract may not be assigned by the Buyer without the written consent of the Seller.

No. 9 Taxes

Any tax or other charge imposed by Governmental authority upon any of the goods herein described or the production, sale, or shipment thereof, shall be in addition to the price stipulated herein.

No. 10 Marketing Practices

Seller may cancel this contract and refuse to make further shipment in the event Buyer does not conduct his business in a manner considered by those engaged in the petroleum marketing industry as fair and ethical.

No. 11 Territory Franchise

Buyer agrees that no products purchased by him hereunder shall be sold beyond the limits of the territory outlined on the map attached hereto and made a part hereof, which is the Buyer's normal marketing territory, without the written consent of the Seller.

No. 12 Distribution

The Buyer agrees that the products delivered under this contract will not be resold in tank car lots without specific, written approval of the Seller; nor will any products

shipped to Buyer under this contract be diverted or stopped in transit by Buyer without consent of Seller.

No. 13 Ethyl License

Seller's obligation to sell and Buyer's obligation to buy Mobilgas or Mobilgas Ethyl under the terms hereof shall at all times be conditioned upon the concurrent possession of requisite license from Ethyl Gasoline Corp. by both parties, and the termination of either the Seller's license or the Buyer's license for any reason shall operate from and after the date of such termination to discharge both parties hereto from any further obligation to buy or sell Mobilgas or Mobilgas Ethyl gasoline hereunder.

No. 14 Delay

Fire, flood, strikes, differences with workmen, accidents to plant or machinery, failure of or unusual conditions surrounding the usual source of supplies or material, or other causes beyond the control of either party shall be sufficient excuse for any delay or failure upon the part of either party to perform this contract, provided however, that such party shall notify the other with reasonable promptness as to the existence of such causes.

5212 No. 15 Contract Effective

This contract contains the entire agreement between the parties hereto except as to prices and terms of sale for lubricating oils and greases which are covered in a separate Memorandum of Agreement. There are no oral promises, agreements or warranties affecting it and contract shall not be valid and/or effective until approved by a sales executive of Seller.

Executed This 19th day of November 1935.

Socony-Vacuum Oil Company, Inc.
White Eagle Division
By A. J. Fish
F. M. Elliott
Salesman.

Approved
By R. D. Mering

Harry Fee
Buyer.

H. K. B.
C. J.

5213 **GOVERNMENT EXHIBIT NO. 626.**

Contract between Socony-Vacuum Oil Company, Inc., (a New York corporation doing business in Illinois) and George C. Peterson Co., dated December 1, 1934, for the period from December 1, 1934 through November 30, 1935:

"Gasoline Prices: The price of Mobilgas and Metro Gasoline supplied under this contract shall be the average spot market price determined by averaging the high and low spot market prices of both the Chicago Journal of Commerce and Platt's Oilgram Tulsa market prices, on date of shipment for U. S. Motor Gasolines of the same octane rating as Mobilgas and Metro Gasoline f.o.b. Group 3. Shipments made on Sundays or holidays shall be billed at the price determined by the average spot market price effective on the first publication day thereafter. However, the price of Metro Gasoline shall not exceed ¼¢ per gallon under the price of Mobilgas.

Except That:—1. If the average spot market price plus freight to destination allows the Buyer a margin of less than 6¢ per gallon below the Service Station price as published by the Standard Oil Company of Indiana for Red Crown Gasoline, then the Buyer and the Seller shall share equally the deficit below a margin and the price shall be revised accordingly. Margins shall be determined on the basis of a normal Illinois price structure and shall not take account of local price deflations.

2—If the Quantity Discount paid to all controlled and/or uncontrolled dealers by the Seller on Mobilgas be increased or decreased from the present rate of 3¢ per gallon, the margin of 5¢ per gallon to Buyer shall be revised by the amount of such increase or decrease.

3—If the average spot market price f.o.b. Group 3 be less than the price of two gallons of 36-gravity crude oil at the well as published by the major oil companies purchasing crude oil in Oklahoma, then the Seller may refuse to supply Mobilgas at a price f.o.b. Group 3 in less than
5214 the price of two gallons of 36-gravity crude oil at the well, and if the Buyer refuses to accept Seller's price then Buyer may cancel this contract by giving Seller ten (10) days' written notice and returning to seller all signs, pump globes and other equipment belonging to Seller and/or bearing the trademark or insignia of any of the brands of petroleum products suplied by Seller.

The Price of Mobilgas Ethyl supplied under this contract shall be 2¢ per gallon more than the average spot market price for Mobilgas on date of shipment.

The above prices are exclusive of tax.

5215 GOVERNMENT EXHIBIT NO. 627.

Contract between Socony-Vacuum Oil Company, Inc., (a New York corporation doing business in Illinois) and George C. Peterson Co., dated December 30, 1935, for the period from December 30, 1935 to and including December 31, 1936:

(Same as Exhibit 626 except for the following:)

"Except That:—1. If the average spot market price plus freight to destination allows the Buyer a margin of less than 6¢ per gallon below the Service Station price as published by the Standard Oil Company of Indiana for Red Crown Gasoline, then the Buyer and the Seller shall share equally the deficit below a 6¢ margin and the price shall be revised accordingly. Margins shall be determined on the basis of a normal Illinois price structure and shall not take account of local price deflations.

2—If the Quantity Discount paid to all controlled and/or uncontrolled dealers by the Seller on Mobilgas be increased or decreased from the present rate of 4¢ per gallon, the margin of 6¢ per gallon to Buyer shall be revised by the amount of such increase or decrease."

5216 GOVERNMENT EXHIBIT NO. 628.

Contract between H. E. Miller Oil Company and Barnsdall Oil Company, dated August 1, 1934, for a period of three years:

"No. 5 Prices Gasoline

Buyer shall pay to Seller for gasolines in tank car lots f. o. b. Group 3 Oklahoma, the Spot Market price for each grade shipped on the shipping date specified by Buyer, computed in the following manner:

On Be Square Gasoline: Average of Chicago Journal of Commerce.

On Super-Gas Ethyl Gasoline: The price of Be Square gasoline as computed herein, plus two cents (2¢) per gallon.

On Barnsdall Motor Fuel: Average of Chicago Journal of Commerce.

(However, Seller will bill Buyer for the price of 60-64 octane gasoline, computed as stated above on each carload of Be Square gasoline, as long as the two tank car distributors having the largest volume in the state or states in which Buyer operates continue to bill a like quality of gasoline to their customers in the state or states on the same basis.) When the spot market price computed as provided above, plus freight cost per gallon from Route 3 Oklahoma to destination on each carload, plus six cents (6¢) per gallon for Be Square gasoline and Super-G's Ethyl gasoline, and four and one-half cents (4½¢) per gallon for Barnsdall Motor Fuel, exceeds the officially posted service station price of The majority of the major marketing companies for like grades of gasoline at point of destination (less tax), the billing price for each carload of gasoline shipped under this contract shall be reduced by Seller in an amount equal to one-half of the excess.

However, when the Spot Market price, computed as provided above, plus freight cost per gallon from Group 3 Oklahoma to destination on each carload, plus an amount equal to Seller's Q. D. A. for like grade or grades in Buyer's territory, exceeds the officially posted service station price of said Company (less tax) for like grade or grades of gasoline at the point of destination, the billing price hereunder of each carload shall be reduced by Seller in an amount equal to such excess. This last named billing price reduction shall be set up in a separate account, to be

refunded by Buyer to Seller in the following manner:

5217 If at any subsequent time during the term hereof price conditions are such that at any place or places of destination Buyer has a margin in excess of six cents (6¢) per gallon on Be Square gasoline and Super-Gas Ethyl gasoline, or a margin in excess of four and one-half cents (4½¢) per gallon on Barnsdall Motor Fuel, between delivered cost computed as hereinabove provided and the existing service station price of the above-named company (less tax), then Seller shall increase its price per gallon on shipments to such place or places on any or all grades of gasolines thereafter sold to Buyer in an amount equal to one-half of such excess. This increased price shall remain effective while the excess between the delivered cost and service station price exists until Seller has been refunded the total sum theretofore allowed Buyer at any place of destination and on any grade of gasoline during the time Seller was required to reduce its price. Buyer agrees to pay said total sum allowed which has not been refunded immediately upon termination of this contract for any cause by either party before the date of expiration provided herein.

It is understood and agreed that regardless of the above provisions, Buyer will not be entitled in any event to purchase gasolines from Seller at a price f. o. b. Group 3 Oklahoma less than five cents (5¢) per gallon for Super-Gas Ethyl gasoline, three cents (3¢) per gallon for Be Square gasoline, and two and one-half cents (2½¢) per gallon for Barnsdall Motor Fuel, notwithstanding the marginal protection and price basis provided above.

If there is no issue of the publication above designated on the date of shipment, quotations in the last preceding day's issue will govern, unless said publication should cease business.

Buyer agrees to inform Seller at its Tulsa, Oklahoma, office by collect telegraphic message the amount and effective date of any change at any point within its marketing territory in the general posted service station price on like grades of gasoline by the said The majority of the major marketing companies, and it is agreed that until said telegram is received by Seller, Buyer will not be entitled to any additional marginal protection it might get because of said change.

5218 No. 6 Q. D. A.

It is mutually understood and agreed that the marginal protection as outlined in Paragraph 5 is based on

Seller's present Q. D. A. (quantity discount agreement with resale retail dealers or service stations) which at the present time is Four (4) cents per gallon on Be-Square Gasoline (Regular) gasoline, and four (4) cents per gallon on Super-Gas Ethyl Gasoline, and Three (3) cents per gallon on Barnsdall Motor Fuel (Third Grade) gasoline, and should Seller, increase or decrease the Q. D. A. as outlined above at any time during the period of this contract, then in that event the basis of marginal protection as provided in Paragraph No. 5 will be increased or decreased to the full extent of said change by Seller in its Q. D. A.

Seller agrees to keep its Q. D. A. in Buyer's trade territory competitive with the established Q. D. A. of the majority of major marketing companies in Buyer's trade territory."

5219 GOVERNMENT EXHIBIT NO. 629.

Letter dated July 25, 1935, from Barnsdall Refining Corporation, G. F. Racette, Vice President to H. E. Miller Oil Company, and an assignment executed July 30, 1935, by H. E. Miller Oil Company:

Letter

"The refining and marketing activities of Barnsdall have been taken over and are now being conducted by Barnsdall Refining Corporation. We are enclosing a consent to the assignment by Barnsdall Oil Company to Barnsdall Refining Corporation of our Trade Mark Contract with you. Will you be kind enough to sign the same, retaining one copy for your files and returning one to us."

Assignment

"To Barnsdall Oil Company, and
Barnsdall Refining Corporation:

We hereby consent to the assignment by Barnsdall Oil Company to Barnsdall Refining Corporation, of all the right, title and interest of said Barnsdall Oil Company in and to the Barnsdall Trade Mark contract made and entered into on the 1st day of August, 1934, by and between Barnsdall Oil Company of Tulsa, State of Okla., and H. E. Miller Oil Company, of Festus, State of Mo., together with all of the right, title and interest of said Barnsdall Oil Company in and to the contract between the same parties for the purchase and sale of oils and greases, dated the 31st day of July, 1934, and attached to and forming a part of the aforesaid Barnsdall Trade Mark contract of August 1st, 1934, and hereby accept the said Barnsdall Refining Corporation as the party to said contracts in lieu of Barndall Oil Company.

This consent is with the understanding that Barnsdall Refining Corporation assumes all of the obligations of said contracts incumbent upon Barnsdall Oil Company."

5220 **GOVERNMENT EXHIBIT NO. 630.**

Contract between Tide Water Oil Company and Pike County Oil Company, Inc., dated November 15, 1934, for the period of one year from that date:

"6. Prices:

Gasoline

Tide Water's prices to Distributor shall be as follows (all gasoline priced f. o. b. Group 3, Drumright, Oklahoma):

A. On Tydol Gasoline, Distributor shall pay Tide Water per gallon the average of the high and low quotations as published in the Chicago Journal of Commerce and Platt's Oilgram (Oklahoma Section), on date of shipment of each car, for U. S. Motor Gasoline of the same octane rating as Tydol Gasoline shipped, subject to the following provisos:

(1) If there is no issue of the Chicago Journal of Commerce and/or Platt's Oilgram on date of shipment, quotations in the last preceding day's issue shall govern. In the event either of the publications above mentioned is discontinued or either discontinues carrying quotations on gasoline, quotations from the remaining publication shall be used in the manner herein provided.

(2) If, on the date of any shipment, the price per gallon determined as above, plus freight to destination, is less than 6¢ below the then current, normal, state-wide, service station price per gallon of the Standard Oil Company of Indiana on Red Crown gasoline for the State of Missouri, which last mentioned price on this date at Bowling Green, Missouri, State of Missouri, is 16.4¢ per gallon, Distributor and Tide Water will bear equally the amount by which the difference between the two prices mentioned is less than 6¢, and the billing on any such shipment shall be adjusted accordingly. The 'normal, state-wide, service station price' of the Standard Oil Company, referred to, is understood to mean that service station price of said Company which is effective over the State of Missouri and which only varies at local points in said State to the extent of the difference in freight rates from the Standard Oil Company's refineries to the various local points. Only advances and declines in the normal, state-wide, service station price, as herein defined, shall be considered in making adjustment in the billings as above provided.

5221 (3) The provisions of the above paragraph, under which the parties bear in equal portions the marginal differential specified, is based upon the present policy of the Standard Oil Company of Indiana to allow re-sellers discounts of 4¢ to undivided dealers and re-sellers; and in the event the Standard Oil Company of Indiana increases or decreases such re-sellers discount to undivided dealers and/or re-sellers generally throughout its marketing territory, then the 6¢ marginal basis above specified shall be increased or decreased in an equal amount.

(4) Notwithstanding anything to the contrary in the foregoing 'Price' provisions, it is agreed that Tide Water's minimum price per gallon on each shipment of Tydol Gasoline shall be in accordance with the following schedule, based upon Stanolind Crude Oil Purchasing Company's posted market price at the well for 36° gravity Oklahoma crude oil on date of shipment, namely:

Posted Crude Oil Price.	Minimum Gasoline Price
Below 50¢	3¢
From 51¢ to 75¢, inclusive	3½¢
From 76¢ to $1.00, inclusive	4¢
From $1.01 to $1.25, inclusive	4½¢
Above $1.25	5¢

B. Tidex Gasoline: Tide Water's price f. o. b. Group 3, on each shipment shall be the average of the high and low quotations as published in the Chicago Journal of Commerce and Platt's Oilgram (Oklahoma Section) on date of shipment of each car, for U. S. Motor Specification Gasoline of 59 octane or less with this proviso: Tide Water's price on Tidex Gasoline to Distributor f. o. b. Group 3 will at no time be greater than one-quarter cent (¼¢ per gallon below the price charged Distributor on Tydol Gasoline f. o. b. Group 3."

5222 **GOVERNMENT EXHIBIT NO. 631.**

Contract between Socony-Vacuum Oil Company, Inc., Lubrite Division, and Wabash Oil Corporation, dated April 13, 1935, for a period of one year from June 15, 1935, with rider:

Contract

"6—Contract Price—(A) The price of Mobilgas supplied under this contract shall be the average spot market price determined by averaging the high and low spot market prices of both the Chicago Journal of Commerce and Platt's Oilgram—Tulsa Market—on the date of shipment for U. S. Motor gasoline of the same octane rating as Mobilgas, f. o. b. Group 3. When the freight rate from point of shipment to Distributor's bulk plant is lower than from Group 3 to said bulk plant, such difference shall be equalized in Lubrite's billing price, making Distributor's net cost the Group 3 contract price hereinbefore mentioned plus freight rate from Group 3 as published and in effect on the date of shipment; except that:

If the average spot market price plus freight to destination allows the Distributor a margin of less than five and one-half cents (5½¢) per gallon below the posted normal service station price than the Distributor and Lubrite shall share equally the deficit below five and one-half cents (5½¢) per gallon and the price shall be revised accordingly. Margins shall be determined on the basis of a statewide price structure and shall not take account of local price deflations. The five and one-half cent (5½¢) margin mentioned above is based on a three and one-half cent (3½¢) undivided dealer allowance and will increase or decrease in accordance with any increase or decrease in said dealer allowance.

If the average spot market price f. o. b. Group 3 be less than the price of two gallons of 36 gravity crude oil at the well as published by the major oil companies purchasing crude oil in Oklahoma, then Lubrite may refuse to supply Mobilgas at a price f. o. b. Group 3 less than the price of two gallons of 36 gravity crude oil at the well, and if the Distributor refuses to accept Lubrite's price then Distributor may cancel this contract by giving Lubrite ten days' written notice and returning to Lubrite all signs, pump globes and other equipment belonging to Lubrite and/or bearing the trade-mark or insignia of any of the brands of petroleum products supplied by Lubrite.

5223 (B) The price of Mobilgas Ethyl supplied under the contract shall be two cents (2¢) per gallon higher than the price for Mobilgas on date of shipment.

(C) The price of Metro supplied under this contract shall be the average spot market price determined by averaging the high and low spot market price of the Chicago Journal of Commerce and Platt's Oilgram—Tulsa Market—on date of shipment for U. S. Motor gasoline of the same octane rating as Metro, f. o. b. Group 3. When the freight rate from point of shipment to Distributor's bulk plant is lower than from Group 3 to said bulk plant, such difference shall be equalized in Lubrite's billing price, making Distributor's net cost the Group 3 contract price hereinbefore mentioned plus freight rate from Group 3 as published and in effect on the date of shipment. However, the price of Metro shall never be higher than one-quarter cent (¼¢) per gallon below the price for Mobilgas on the date of shipment."

Rider Dated August 11, 1936

"By mutual agreement, the second paragraph under item 6, in said agreement, is hereby cancelled.

Effective this date, the paragraph is superseded and replaced by the following:

'If the average spot market price plus freight to destination allows the Distributor a margin of less than two cents (2¢) per gallon below the normal posted price to Dealers, than the Distributor and Lubrite shall share equally the deficit below two cents (2¢) per gallon and the price shall be revised accordingly. Margins shall be determined on the basis of a state-wide price structure and shall not take account of local price deflations'."

5224 GOVERNMENT EXHIBIT NO. 632.

Contract between Empire Oil & Refining Co. and Midway Oil Company, dated February 14, 1935, for the period of one year from March 16, 1935 to March 15, 1936:

"Price

The gasolene on this contract shall be invoiced on the spot price prevailing f. o. b. Oklahoma Group Three, and shall be on the basis of one-quarter (¼¢) cent below the average of the Chicago Journal of Commerce on date of shipment, for the grade of gasolene furnished.

Discontinuing Shipments: It is further agreed, during the life of this contract, that the seller or refiner has the option of discontinuing shipments at any time the price of any grade of gasolene specified in this contract declines to a price, f. o. b. Group Three, less than the price per gallon shown versus the price of 36 gravity crude as posted by the Stanolind Crude Oil Purchasing Company.

When 36 gravity crude is 50¢ and below, gasolene price —3¢ min.

When 36 gravity crude is 51¢ and above up to and including 75¢, gasolene price 3½¢ min.

When 36 gravity crude is 76¢ and above up to and including $1.00, gasolene price 4¢ min.

When 36 gravity crude is $1.01 and above up to and including $1.25, gasolene price 4½¢ min.

Optional Quality-Competitive Grade: The buyer also may, on any given shipments, specify an alternate quality of gasoline known as a competitive grade and is 58-60 U. S. Motor below 62 octane. Any shipment of the competitive grade of gasolene shall be priced on the average price of 58-60 U. S. Motor gasolene, under 62 octane, as quoted in the Chicago Journal of Commerce, Oklahoma Group Three on date of shipment, less ¼¢. It is also agreed that the maximum invoice price of the competitive grade of gasolene shall never be higher than ¼¢ under the price of Koolmotor gasolene, on date of shipment as provided in this contract.

Ethyl Gasolene: It is further agreed that the buyer reserves the option to order Ethyl gasolene when franchise agreement is properly approved by the Ethyl Corporation and said Cities Service Ethyl gasolene will be furnished on the basis of this contract on Koolmotor gasolene plus 2¢ per gallon.

Explanation of Pricing: Inasmuch as the published average price on gasolene has divided 58-60 U. S. Motor into groups, according to octane rating, the pricing under
5225 this contract shall be as follows: The price basis to be used in connection with this contract will be ¼¢ under the average spot market quotation as shown in the Chicago Journal of Commerce on date of shipment, f. o. b. Oklahoma Group Three, such spot price to be the equivalent of the octane rating of the gasoline furnished.

5226 GOVERNMENT EXHIBIT NO. 633.

Contract between Empire Oil & Refining Co. and Midway Oil Company, Inc., dated March 11, 1936, for a period of one year from March 16, 1936 to March 15, 1937:

"Price

The gasoline on this contract shall be invoiced on the spot price prevailing f. o. b. Oklahoma Group Three, and shall be on the basis of one-quarter (¼¢) cent below the low of the Chicago Journal of Commerce on date of shipment, for the grade of gasoline furnished.

Discontinuing Shipments: (Same as corresponding paragraph in Exhibit 632.)

Optional Quality-Competitive Grade. The buyer also may, on any given shipments, specify an alternate quality of gasolene known as a competitive grade and is 58-60 U. S. Motor below 62 octane. Any shipment of the competitive grade of gasolene shall be priced on the low price of 58-60 U. S. Motor gasolene, under 62 octane, as quoted in the Chicago Journal of Commerce, Oklahoma Group Three on date of shipment, less one-quarter (¼¢) cent. It is also agreed that the maximum invoice price of the competitive grade of gasoline shall never be higher than ¼¢ under the price of Koolmotor gasolene, on date of shipment as provided in this contract.

Ethyl Gasolene: (Same as corresponding paragraph in Exhibit 632)

Explanation of Pricing: Inasmuch as the published prices on gasolene have divided 58-60 U. S. Motor into groups, according to octane rating, the pricing under this contract shall be as follows: The price basis to be used in connection with this contract will be ¼¢ under the low spot market quotation as shown in the Chicago Journal of Commerce on date of shipment, f. o. b. Oklahoma Group Three, such spot price to be the equivalent of the octane rating of the gasolene furnished."

5227 **GOVERNMENT EXHIBIT NO. 634.**

Contract between Continental Oil Company and General Oil Products Co. Inc., for a period of one year commencing on August 15, 1934:

"3. Price: A. The Buyer shall pay Conoco, subject to the conditions hereinafter stated, the spot tank car price f. o. b. Group 3, Oklahoma, for each shipment of Conoco Gasoline purchased hereunder at the time of shipment thereof.

B. Provided, that in the event such spot tank car price plus freight to destination, plus six (6¢) cents per gallon exceeds Standard Oil Co. (Ind.) normal service station price (exclusive of tax), then the price Buyer shall pay Conoco shall be reduced by an amount equal to one-half of the excess.

D. Provided, further, however, that if at any time during the life of this contract the price per gallon as determined above is less than the value of three gallons of 36 gravity Oklahoma Crude Oil at the Well, at the posted price of Conoco, then Conoco may, at its option, cancel and terminate this contract upon giving Buyer ten (10) days notice in writing of such termination and cancellation.

This contract is based upon the normal service station prices of Standard Oil Co. (Ind.) at destinations listed below, which are as follows:

Location	Date	Normal Service Station Prices (exclusive of tax)
DeSoto, Missouri,	8-15-34	14.3

Spot Tank Car Price: The spot tank car price per gallon f. o. b. Group 3 Oklahoma, shall be ascertained by taking the prices for U. S. Motor Gasoline or 41-43 Kerosene as the case may be, of the grade nearest comparable to that furnished hereunder, as published in the Chicago Journal of Commerce, Chicago, Ill., and Platt's Oilgram, Tulsa Edition, (Oklahoma Markets) using last issue previous to date of shipment and adding together such prices carried in such publications (using minimum and maximum prices where shown) and dividing the sum of such prices by the number of prices so added together, the quotient so obtained to be the spot tank car price.

5228 The price Buyer shall pay Conoco for Conoco Ethyl Gasoline f. o. b. Ponca City, Oklahoma shall be the

price for Conoco Gasoline as determined by procedure outlined herein plus 2¢ per gallon.

4. Normal Tank Wagon or Service Station Price: It is hereby agreed by Buyer and Conoco that the normal tank wagon or service station price respectively if referred to herein is the price which would normally be in effect if not influenced by local, special, or cut price conditions, and such normal tank wagon or service station price per gallon of the Standard Oil Co. (Ind.) at point of any destination of shipments herein mentioned shall always have and maintain its normal relation to the general normal prices of said company throughout the State in which destination is located, and that the price of goods covered by this contract shall in no case be affected by any special or cut price applying to point of destination and not generally throughout said State, unless otherwise expressly provided above. The tank wagon or service station price provided above does not contemplate any deduction because of quantity discounts, dealer discounts, or any other discounts, or special allowances of any character whatsoever."

5229 GOVERNMENT EXHIBIT NO. 635.

Contract between Continental Oil Co. and General Oil Products, Inc., dated August 22, 1935, for a period of one year commencing on August 15, 1935:

"3. Price: A. The Buyer shall pay Conoco, subject to the conditions hereinafter stated, the spot tank car price f.o.b. Group 3 Oklahoma, for each shipment of Conoco Bronze Gasoline purchased hereunder at the time of shipment thereof.

B. Provided, that in the event such spot tank car price plus freight to destination, plus five and one-half (5½¢) cents per gallon exceeds Standard Oil Co. (Ind.) normal service station price (exclusive of tax), then the price Buyer shall pay Conoco shall be reduced by an amount equal to one-half of the excess.

C. Provided further, however, that if at any time during the life of this contract the price per gallon as determined above is less than the value of three gallons of 36 gravity

Oklahoma Crude Oil at the Well, at the posted price of Conoco, then Conoco may, at its option, cancel and terminate this contract upon giving Buyer ten (10) days' notice in writing of such termination and cancellation.

This contract is based upon the normal service station prices of Standard Oil Co. (Ind.) at destinations listed below, which on August 22, 1935 are as follows:

Location	Normal Service Station Prices (exclusive of tax)
DeSoto, Missouri	13.8¢

D. In the event the price offered generally by Standard Oil Co. (Ind.) to dealers purchasing 100% of their gasoline requirements from it on Conoco Bronze Gasoline or a grade of gasoline comparable thereto, at the time of any shipment hereunder, shall be more or less than 3½¢ a gallon below the service station price, then the marginal basis of 5½¢ contained in paragraph B herein will increase or decrease accordingly.

E. The price Buyer shall pay Conoco for Demand Gasoline, f.o.b. Group 3 Oklahoma, will be the spot tank car price as determined herein; provided, however, that at no time will such price be higher than the price for Conoco Bronze Gasoline as determined herein at the same time and place less one fourth (¼¢) cent a gallon.

5230 Spot Tank Car Price: (Same as corresponding Par. of Ex. 634.)

Ethyl Gasoline Price: (Same as corresponding Par. of Ex. 634.)

4. Normal Tank Wagon or Service Station Price: (Same as corresponding Par. of Ex. 634.)

5231 **GOVERNMENT EXHIBIT NO. 636.**

Contract between Continental Oil Company and General Oil Products, Inc., dated August 25, 1936, for a period of one year commencing on that date, with Rider:

"[Paragraphs 3-A, B, C, D and E are the same as the corresponding paragraphs of Exhibit 635, except that the normal service station price of Standard Oil Co. (Ind.) on August 25, 1936, was 14.3, and the following paragraph was added:]"

"In the event the Standard Oil Company of Indiana discontinues the practice of posting normal service station prices throughout the state in which destination is located, then, and in that event, paragraph 3-B of this contract will become inoperative, and prices to be charged on shipments thereafter will then be determined by the remaining provisions of this agreement.

Spot Tank Car Price: (Same as corresponding Par. of Exhibit 634.)

Ethyl Gasoline Price: (Same as corresponding Par. of Exhibit 634.)

4. Normal Tank Wagon or Service Station Price: (Same as corresponding Par. of Exhibit 634.)

Rider dated September 16, 1936.

It is agreed that the following clause is hereby substituted for clause B, paragraph 3, of Sales Contract, dated Aug. 25, 1936, between the Continental Oil Company and you.

B. Provided that in the event the spot tank car price, plus rail freight from Ponca City to destination, plus two (2¢) cents a gallon, exceeds Standard Oil Company of Indiana's posted normal price to dealers at said destination (exclusive of federal, state, and/or municipal motor fuel taxes and other posted taxes), the price buyer shall pay Conoco shall be reduced by an amount equal to one-half of the excess."

5232 **GOVERNMENT EXHIBIT NO. 637.**

Contract between Goodall-Crowley Oil Company and Mid-Continent Petroleum Corporation, dated February 21, 1933, for the period February 15, 1933 to February 15, 1937:

"No. 5 Price

(A) Diamond Gasoline. The Buyer shall pay to the Seller for said Diamond gasoline the 'Spot Market Price' f.o.b. Group 3, Oklahoma, as defined in Clause No. 6, when such price, plus the cost per gallon of freight transportation from Tulsa, Oklahoma, to point of destination, plus 5½¢ per gallon, does not exceed the normal officially posted service station price exclusive of tax at destination on date of shipment of the Standard Oil Company of Indiana on their Red Crown Gasoline or other standard intermediate grade of gasoline as the quality of said gasoline is now maintained or may hereafter be improved. If, however, such Spot Market Price, plus the said cost per gallon of freight transportation, plus 5½¢ exceeds such service station price, then the invoice price of said gasoline shall be reduced by an amount equal to such excess. It is hereby expressly agreed by the Buyer and Seller that the 'normal officially posted service station price' per gallon at point of destination of shipment herein mentioned shall always have and maintain its normal relation to the general officially posted service station price throughout the marketing territory of the party posting such price. The normal officially posted service station price (exclusive of tax) at destination on date is as follows:

Normal S. S. Price (exclusive of tax) 11.4 Destination Beloit-Wisconsin Freight Rate Group 3 to Destination .....

(B) NevrNox Ethyl Gasoline. The price of NevrNox Ethyl gasoline supplied under this contract shall be two and one-half cents (2½c) per gallon more than the contract price hereunder for Diamond gasoline on date of shipment.

(C) Power Gasoline. The price of Power gasoline applied under this contract shall be the average of the minimum and of the maximum prices, or the average of the price of 58/60 437 U. S. Motor gasoline, below 57 octane, or of the grade furnished, as published in the Chicago Journal of Commerce, Chicago, Illinois, on the date on which shipment is made; or, ¼c under the price of Diamond gasoline, whichever price is lower.

5233 (D) Other Grades of Gasoline. The price of other grades of gasoline supplied under this contract shall be the contract price hereunder for Diamond gasoline on date of shipment, plus or minus, as the case may be, the Seller's established Spot Market differential on the date of shipment between Diamond gasoline and such other grade or grades of gasoline.

(E) If at any time or times during the life of this contract the contract price per gallon as determined herein of any grade or grades of gasoline to be supplied hereunder is less than the posted price of the Stanolind Crude Oil Purchasing Company of two gallons of 36 gravity Oklahoma crude oil at the well, the Seller shall have the right at its option to suspend this contract during such time or times, or any part or parts thereof, as to any or all grades of gasoline covered by said contract by giving Buyer five days notice, in writing, of its intention to exercise said option.

No. 6 Spot Market Price

The 'spot market price' per gallon f.o.b. Group 3, Oklahoma, shall be the average of the minimum and of the maximum prices, or the average of the prices of 58/60 437 U. S. Motor gasoline, 57-64 octane number or of the grade furnished, as published in the Chicago Journal of Commerce, Chicago, Illinois, on date on which shipment is made. In the event that no prices are published on date shipment is made, then prices published on last date prior to shipment shall apply. If during the life of this contract either of said publications shall be discontinued, and/or publication of prices of gasoline therein is discontinued, then the 'spot market price' shall be determined from the prices contained in the remaining publication, in the manner above stated; and in the further event that no price of the grade of gasoline furnished be published by either of the aforesaid publications, then the 'spot market price' shall be the current 'spot' price of Seller.

Distributors Advertising Agreement

2. That in consideration of the Buyer having entered into such contractual relations to purchase from the Seller 100% of his supplies mentioned, necessary for the handling of his said business, which the Seller is in position to supply and the faithful performance of the terms and agreements set out in such contract and/or any other contracts which may, at any time during the life of this contract, exist between the parties hereto, it is understood and

agreed that the Seller will set up or establish for an advertising reserve, a sum not exceeding in any case an amount equal to ¼¢ per gallon, computed on the total number of gallons of NevrNox Ethyl and Diamond gaso-
5234 line purchased from the Seller, and a sum not exceeding in any case an amount equal to 3¢ per gallon computed on the total number of gallons of Diamond Motor and Tractor Oils purchased from the Seller, which sums shall be expended at the discretion of and by Seller for the purpose of defraying expenses incurred in carrying out the program outlined in Paragraph No. 3. It is further understood and agreed that the advertising credits referred to above include any and all advertising on the gasoline and motor oil contracts and will represent the entire advertising allowance to the Buyer from the Seller on any and all said contracts which may be in effect or executed during the life of this contract.

3. That the Buyer agrees, in consideration of said allowance, to paint in the standard colors of the Seller the properties used in the conduct of the business of the Buyer, such as service stations, tank wagons or trucks, pumps, and all other physical properties which are usually painted (it being specifically understood that all labor charges in connection with the above shall be taken care of by the Buyer, and that paint, unless otherwise agreed upon, shall be sold by the Seller to the Buyer at cost), and Buyer shall use and display the advertising signs, globes, bulletin boards, newspaper display ads and other standard advertising matter of the Seller, which advertising material shall advertise the petroleum products being handled and sold by the Buyer as material manufactured and supplied by the Seller and shall also advertise through appropriate name plates and/or signs or otherwise, that the Buyer is a local distributor of such products.

4. It is further understood and agreed that such advertising and painting shall be done as directed by the Seller in accordance with its standard methods. Seller specifically reserves the right to determine the form of advertising to be used as well as the amount of advertising as applied to the property and business of the Buyer, it being specifically understood and agreed that all removable advertising materials, such as signs, globes, etc., shall, at all times, be and remain the absolute property of the Seller and be returned to Seller upon demand therefor. All advertising material and expense shall be charged by the Seller against the advertising credit herein established at a fair and reasonable rate."

5235 GOVERNMENT EXHIBIT NO. 638.

Contract between Empire Oil & Refining Co., and W. J. O'Brien, dated July 11, 1935, for the period August 9, 1935 to August 8, 1936:

Price

"The gasolene on this contract shall be invoiced on the spot price prevailing, f.o.b. Oklahoma Group Three, except that at any time the spot price is such that the buyer does not have a 5½¢ spread below the normal posted service station market price of the Standard Oil Company of Indiana at Superior, Wisconsin and Duluth, Minnesota, then the difference between the spot price and the 5½¢ spread will be divided fifty-fifty between buyer and seller. The service station price at Superior, Wisconsin, July 11, 1935 is $.193, and Duluth, Minnesota $.183. Example: If on a service station market price of $.193, we deduct $.04 State tax, $.01 Federal tax, $.03168 freight, and $.055 margin, it would give a netback of $.05632. If the spot market price is $.06, this would make a difference of $.00368 which would be divided equally between buyer and seller which would make the price to the buyer $.05816, or in this case a spread of $.05316."

Discontinuing Shipments: (Same as corresponding Paragraph, Exhibit 632.)

Change in Discount: It is agreed between buyer and seller that the margin in this contract, based on a 50-50 split, is to advance or decline in proportion to any advance or decline in the present generally recognized dealer discount schedule in the Standard of Indiana territory, which is now $.035 on Ethyl, $.035 on Koolmotor gasolene, and $.025 on Motor gasolene.

Supplemented Price Agreement: It is further agreed that the price basis outlined under 'Price Agreement' on the reverse side of this contract, that such prices are based on the Standard Oil Company of Indiana normal posted service station price on Red Crown gasoline, or the grade of gasoline marketed by the Standard Oil Company of Indiana, secondary to the Standard Oil Company of Indiana Ethyl grade in Superior, Wisconsin and Duluth, Minnesota. It is understood that this price is to advance or decline equal to any general advance or decline of the Standard Oil Company normal posted service station mar-

ket on Red Crown gasolene, or the grade of gasolene
5236 marketed by the Standard of Indiana, secondary to the Standard Oil Company Ethyl grade in any six states in their territory, including the state to which this material is to be consigned, and is not to be affected by any purely local declines, but is to advance the full amount of any local advance. It is further understood that the prices indicated in this contract are based on the freight rates in effect July 11, 1935. The net prices on the spread will advance equal to the full amount of any decline in freight rates and will be reduced equal to the full amount of any advance in the freight rates.

Optional Quality-Competitive Grade: The buyer also may, on any given shipments, specify an alternate quality of gasolene known as a competitive grade and is 58-60 U. S. Motor below 62 octane. Any shipment of the competitive grade of gasolene shall be priced on the average price of 58-60 U. S. Motor under 62 octane, as specified in the Publications outlined in this contract under the clause 'Explanation of Pricing.' It is also agreed that the maximum invoice price of the competitive grade of gasolene shall never be higher than ¼¢ under the contract price of Koolmotor gasolene, on date of shipment as provided in this contract.

Ethyl Gasolene: (Same as corresponding Paragraph Exhibit 632).

Explanation of Pricing: Inasmuch as the published average prices on gasolene have divided 58-60 U. S. Motor into groups, according to octane rating, the pricing under this contract will be as follows: The price basis to be used in connection with this contract will be the average of averages of the spot market prices as shown in Chicago Journal of Commerce and Platt's Oilgram, date of shipment, f. o. b. Oklahoma Group Three, such spot prices to be the equivalent of the octane rating of the gasolene furnished."

5237 GOVERNMENT EXHIBIT NO. 639.

Contract between Wisconsin Petroleum Co. Inc. and Mid-Continent Petroleum Corp., dated May 3rd, 1933 for the period from April 3rd, 1933 to April 3rd, 1936:

"No. 5 Price

(A) Diamond Gasoline. The Buyer shall pay to the Seller for said Diamond gasoline the 'Spot Market Price' f. o. b. Group 3, Oklahoma, as defined in Clause No. 6, when such price, plus the cost per gallon of freight transportation from Tulsa, Oklahoma, to point of destination, plus 5¢ per gallon, does not exceed the normal officially posted service station price exclusive of tax at destination on date of shipment of the Standard Oil Company of Indiana on their Red Crown Gasoline or other standard intermediate grade of gasoline as the quality of said gasoline is now maintained or may hereafter be improved. If, however, such Spot Market Price, plus the said cost per gallon of freight transportation, plus 5¢, exceeds such service station price, then the invoice price of said gasoline shall be reduced by an amount equal excess. The above marginal protection of 5¢ per gallon is based on the Standard Oil Company of Indiana's present Q.D.A. of 2½¢ on Red Crown Gasoline. In the event the Standard Oil Company of Indiana increases or decreases the above mentioned 2½¢ Q.D.A., generally, throughout its territory, then the 5¢ marginal protection will be increased or decreased an equal or like amount. It is hereby expressly agreed by the Buyer and Seller that the 'normal officially posted service station price' per gallon at point of destination of shipment herein mentioned shall always have and maintain its normal relation to the general officially posted service station price throughout the marketing territory of the party posting such price. The normal officially posted service station price (exclusive of tax) at destination on date is as folows:

Normal S. S. Price (exclusive of tax) 11.5 Destination Stoughton, Wis. Freight Rate Group 3 to destination .02838.

(B) NevrNox Ethyl Gasoline. The price of NevrNox Ethyl gasoline supplied under this contract shall be two and one-half cents (2½¢) per gallon more than the contract price hereunder for Diamond gasoline on date of shipment.

5238 (C) Power Gasoline. The price of Power gasoline applied under this contract shall be the average of the minimum and of the maximum prices, or the average of the price of 58/60 437 U. S. Motor gasoline, below 57 octane, or of the grade furnished, as published in the Chicago Journal of Commerce, Chicago, Illinois, on the date on which shipment is made; or, ¼¢ under the price of Diamond Gasoline, whichever price is lower.

(D) Other Grades of Gasoline. (Same as Par. D.—Exhibit 637).

(E) (Same as Par. E.—Exhibit 637).

No. 6 Spot Market Price

The 'spot market price' per gallon f. o. b. Group 3, Oklahoma, shall be the average of the minimum and of the maximum prices, or the average of the prices of 58/60 437 U. S. Motor gasoline, 57-64 octane number, or of the grade furnished, as published in the Chicago Journal of Commerce, Chicago, Illinois, the date on which shipment is made. In the event that no prices are published on date shipment is made, then prices published on last date prior to shipment shall apply. If during the life of this contract either of said publications shall be discontinued, and/or publication of prices of gasoline therein is discontinued, then the 'spot market price' shall be the current 'spot' price of Seller.

5239 GOVERNMENT EXHIBIT NO. 640.

Contract between Wisconsin Petroleum Co. Inc. and Mid-Continent Petroleum Corp., dated April 11th, 1936 for the period from April 3rd, 1936 to April 2nd, 1937:

"Price

(A) D-X Motor Fuel. The Buyer shall pay for Seller's regular grade of D-X Motor Fuel the 'Spot Market Price' f. o. b. Group 3, Oklahoma, as defined in Clause 6. of 58/60 437 U. S. Motor Gasoline, 63-70 octane number, or said 'Spot Market Price' of the grade furnished, as determined by octane specifications, when such price, plus the cost per gallon of freight transportation from Tulsa, Oklahoma, to point of destination, plus a margin of 5½¢ cents per gallon, does not exceed the normal officially posted service station price, exclusive of tax, at destination, on date of shipment, of the Standard Oil (Of Indiana) Company on their Red Crown Gasoline or other similar grade of gasoline as the quality of said gasoline is now maintained or may hereafter be improved. If, however, such Spot Market Price, plus the said cost per gallon of freight transportation, plus the aforesaid margin, exceeds such service station price, then the invoice price of said D-X Motol Fuel shall be reduced by an amount equal to such excess. The aforesaid margin is based on Seller's present Resellers discount of 3½ cents to Undivided Dealers and Resellers; in the event Seller increases or decreases said Resellers discount to Undivided Dealers and/or Resellers generally throughout its marketing territory, then the aforesaid margin will be increased or decreased an equal or like amount. It is hereby expressly agreed by the Buyer and Seller that the 'normal officially posted service station price' per gallon at point of destination of shipment herein mentioned shall always have and maintain its normal relation to the general officially posted service station price, throughout the marketing territory of the party posting such price. The normal officially posted service station price (exclusive of Federal and State Motor fuel taxes) at destination on date of this contract is as follows:

Normal S.S. Price (exclusive of Federal and State motor fuel taxes)	Destination	Freight Rate, Group 3 to Destination
.144	Stoughton, Wis.	

5240 (B) NevrNox Ethyl Gasoline. The price of Nevr-Nox Ethyl Gasoline supplied under this contract shall be Two Cents (2¢) per gallon more than the contract price hereunder for D-X Motor Fuel, on date of shipment.

(C) Power Gasoline. The price of Power Gasoline supplied under this contract shall be the 'Spot Market Price' f. o. b. Group 3, Oklahoma, as defined in Clause 6, of 58/60 437 U. S. Motor Gasoline, 62 and below octane number, on date of shipment; or ¼¢ under the price of D-X Motor Fuel, whichever price is lower.

(D) Other Grades of Motor Fuel and Gasoline. The price of other grades of motor fuel and gasoline supplied under this contract shall be the 'Spot Market Price' of the grade furnished, f. o. b. Group 3, Oklahoma, as defined in Clause 6, on date of shipment.

(E) During the life of this contract, the contract price per gallon as determined herein, of D-X Motor Fuel to be supplied hereunder shall not be less than:

3.0¢ when the average officially posted price of 36 gravity Oklahoma crude oil at the well is 50¢ and below per bbl.

3.5¢ when the average officially posted price of 36 gravity Oklahoma crude oil at the well is 51¢ to 75¢ per bbl.

4.0¢ when the average officially posted price of 36 gravity Oklahoma crude oil at the well is 76¢ to $1.00 per bbl.

4.5¢ when the average officially posted price of 36 gravity Oklahoma crude oil at the well is $1.01 and above.

No. 6 Spot Market Price

(Same as Par. No. 6 in Exhibit 618)"

5241 **GOVERNMENT EXHIBITS NOS. 641-655; 658-659.**

(These Exhibits consist of over 65 jobbers contract forms together with riders and explanatory data received in evidence through W. J. Miller in support of his testimony at R. p. 337. In view of this testimony and of contracts previously set out, these forms and data have not been printed.)

5242 **GOVERNMENT EXHIBIT NO. 663.**

Tabulation Not printed because all figures appear in Exhibit 665.

GOVERNMENT EXHIBIT NO. 664.

Chart—Not reproduced because shown on Exhibit 674 as "Monday Low Quotations For Third Grade Gasoline—Oil Price Handbook—Oklahoma Market".

5243 GOVERNMENT EXHIBIT NO. 665.

Monday Low Quotations Third Grade Gasoline
March 4, 1935 to December 21, 1936
Oil Price Handbook
Oklahoma Market

March	4, 1935	3.375¢	January	27, 1936	5.250¢
March	11, 1935	3.750	February	3, 1936	5.250
March	18, 1935	3.875	February	10, 1936	5.250
March	25, 1935	4.000	February	17, 1936	5.125
April	1, 1935	4.125	February	24, 1936	5.125
April	8, 1935	4.250	March	2, 1936	5.000
April	15, 1935	4.375	March	9, 1936	5.000
April	22, 1935	4.500	March	16, 1936	5.000
April	29, 1935	4.500	March	23, 1936	5.000
May	6, 1935	4.625	March	30, 1936	5.000
May	13, 1935	4.625	April	6, 1936	5.000
May	20, 1935	4.750	April	13, 1936	5.000
May	27, 1935	4.750	April	20, 1936	5.000
June	3, 1935	4.750	April	27, 1936	5.000
June	10, 1935	4.750	May	4, 1936	5.000
June	17, 1935	4.750	May	11, 1936	4.875
June	24, 1935	4.750	May	18, 1936	4.875
July	1, 1935	4.750	May	25, 1936	4.750
July	8, 1935	4.750	June	1, 1936	4.750
July	15, 1935	4.750	June	8, 1936	4.750
July	22, 1935	4.750	June	15, 1936	4.750
July	29, 1935	4.750	June	22, 1936	4.750
August	5, 1935	4.750	June	29, 1936	4.750
August	12, 1935	4.750	July	6, 1936	4.875
August	19, 1935	4.750	July	13, 1936	4.875
August	26, 1935	4.750	July	20, 1936	4.875
September	3, 1935	4.750	July	27, 1936	4.875
September	9, 1935	4.750	August	3, 1936	4.875
September	16, 1935	4.750	August	10, 1936	4.875
September	23, 1935	4.750	August	17, 1936	4.875
September	30, 1935	4.750	August	24, 1936	4.750
October	7, 1935	4.750	August	31, 1936	4.750
October	14, 1935	4.750	September	8, 1936	4.625
October	21, 1935	4.750	September	14, 1936	4.500
October	28, 1935	4.750	September	21, 1936	4.500
November	4, 1935	4.750	September	28, 1936	4.500
November	11, 1935	4.750	October	5, 1936	4.500
November	18, 1935	4.750	October	12, 1936	4.625
November	25, 1935	4.750	October	19, 1936	4.625
December	2, 1935	4.625	October	26, 1936	4.625
December	9, 1935	4.750	November	2, 1936	4.625
December	16, 1935	4.750	November	9, 1936	4.625

December	23, 1935	4.750	November	16, 1936	4.750
December	30, 1935	4.750	November	23, 1936	4.750
January	6, 1936	4.750	November	30, 1936	4.750
January	13, 1936	5.250	December	7, 1936	4.750
January	20, 1936	5.250	December	14, 1936	4.750
			December	21, 1936	4.750

5244 **GOVERNMENT EXHIBIT NO. 666.**

Chart—Not reproduced because shown on Exhibit 674 as "Monday Low Quotations For Third Grade Gasoline—Oil Price Handbook—Oklahoma Market".

5245 **GOVERNMENT EXHIBIT NO. 667.**

Monday Low Quotations House Brand Gasoline March 4, 1935 to December 21, 1936 Oil Price Handbook Oklahoma Market

March	4, 1935	4.375¢	January	27, 1936	6.125¢
March	11, 1935	4.625	February	3, 1936	6.125
March	18, 1935	4.750	February	10, 1936	6.125
March	25, 1935	4.750	February	17, 1936	6.125
April	1, 1935	4.875	February	24, 1936	6.125
April	8, 1935	5.000	March	2, 1936	5.875
April	15, 1935	5.125	March	9, 1936	6.000
April	22, 1935	5.250	March	16, 1936	6.000
April	29, 1935	5.250	March	23, 1936	6.000
May	6, 1935	5.250	March	30, 1936	6.000
May	13, 1935	5.250	April	6, 1936	6.000
May	20, 1935	5.375	April	13, 1936	6.000
May	27, 1935	5.500	April	20, 1936	6.000
June	3, 1935	5.625	April	27, 1936	6.000
June	10, 1935	5.625	May	4, 1936	6.000
June	17, 1935	5.625	May	11, 1936	6.000
June	24, 1935	5.625	May	18, 1936	6.000
July	1, 1935	5.625	May	25, 1936	6.000
July	8, 1935	5.625	June	1, 1936	6.000
July	15, 1935	5.625	June	8, 1936	6.000
July	22, 1935	5.625	June	15, 1936	6.000
July	29, 1935	5.625	June	22, 1936	6.000
August	5, 1935	5.625	June	29, 1936	6.000
August	12, 1935	5.625	July	6, 1936	6.000
August	19, 1935	5.625	July	13, 1936	6.000
August	26, 1935	5.625	July	20, 1936	6.000
September	3, 1935	5.625	July	27, 1936	6.000
September	9, 1935	5.625	August	3, 1936	6.000
September	16, 1935	5.625	August	10, 1936	6.000
September	23, 1935	5.625	August	17, 1936	6.000
September	30, 1935	5.625	August	24, 1936	5.875
October	7, 1935	5.625	August	31, 1936	5.625
October	14, 1935	5.625	September	8, 1936	5.625
October	21, 1935	5.625	September	14, 1936	5.500
October	28, 1935	5.625	September	21, 1936	5.500
November	4, 1935	5.625	September	28, 1936	5.500
November	11, 1935	5.625	October	5, 1936	5.500
November	18, 1935	5.625	October	12, 1936	5.625
November	25, 1935	5.625	October	19, 1936	5.625
December	2, 1935	5.625	October	26, 1936	5.625
December	9, 1935	5.625	November	2, 1936	5.625
December	16, 1935	5.625	November	9, 1936	5.625

December	23, 1935	5.625	November	16, 1936	5.750
December	30, 1935	5.625	November	23, 1936	5.750
January	6, 1936	5.625	November	30, 1936	5.750
January	13, 1936	6.125	December	7, 1936	5.750
January	20, 1936	6.125	December	14, 1936	5.750
			December	21, 1936	5.750

5246 GOVERNMENT EXHIBIT NO. 668.

Chart—Not reproduced because shown on Exhibit 674 as "Monday Low Quotations For House Brand Gasoline—Oil Price Handbook—Oklahoma Market".

5247 **GOVERNMENT EXHIBIT NO. 671.**

OIL PRICE HANDBOOK

1934-1935-1936

OKLAHOMA AVERAGE PRICE BASED

ON NORTH CENTRAL OKLAHOMA

POSTED TOP CRUDE QUOTATIONS

OKLAHOMA MARKET

MOTOR GASOLINE 40 RANGE

JANUARY 1934

FEBRUARY 1934

MARCH 1934

APRIL 1934

MAY 1934

JUNE 1934

JULY 1934

AUGUST 1934

SEPTEMBER 1934

OCTOBER 1934

NOVEMBER 1934

DECEMBER 1934

JANUARY 1935

FEBRUARY 1935

MARCH 1935

APRIL 1935

MAY 1935

JUNE 1935

JULY 1935

AUGUST 1935

SEPTEMBER 1935

OCTOBER 1935

NOVEMBER 1935

DECEMBER 1935

JANUARY 1936

OKLAHOMA MARKETS

OKLAHOMA HIGHWAY BLANKS

MAY 1955

JUNE 1955

JULY 1955

AUGUST 1955

SEPTEMBER 1955

OCTOBER 1955

NOVEMBER 1955

DECEMBER 1955

JANUARY 1956

FEBRUARY 1956

MARCH 1956

APRIL 1956

MAY 1956

JUNE 1956

JULY 1956

AUGUST 1956

SEPTEMBER 1956

OCTOBER 1956

NOVEMBER 1956

DECEMBER 1956

3 4 5 6

CENTS PER GALLON

68083

5249 GOVERNMENT EXHIBIT NO. 672.

Monday Low Quotations for House Brand Gasoline Oil Price Handbook Oklahoma Market 1934-1936

January	2, 1934	4.875¢	November	5, 1934	4.625¢
January	8, 1934	4.750	November	12, 1934	4.750
January	15, 1934	4.750	November	19, 1934	4.625
January	22, 1934	4.750	November	26, 1934	4.625
January	29, 1934	4.875	December	3, 1934	4.750
February	5, 1934	4.875	December	10, 1934	4.500
February	12, 1934	4.875	December	17, 1934	4.500
February	19, 1934	4.750	December	24, 1934	4.500
February	26, 1934	4.500	December	31, 1934	4.500
March	5, 1934	4.500	January	7, 1935	4.500
March	12, 1934	4.500	January	14, 1935	4.500
March	19, 1934	4.375	January	21, 1935	4.625
March	26, 1934	4.125	January	28, 1935	4.500
April	2, 1934	4.125	February	4, 1935	4.500
April	9, 1934	4.250	February	11, 1935	4.375
April	16, 1934	4.625	February	18, 1935	4.375
April	23, 1934	4.750	February	25, 1935	4.375
April	30, 1934	4.750	March	4, 1935	4.375
May	7, 1934	4.625	March	11, 1935	4.625
May	14, 1934	4.625	March	18, 1935	4.750
May	21, 1934	4.875	March	25, 1935	4.750
May	28, 1934	4.875	April	1, 1935	4.875
June	4, 1934	4.875	April	8, 1935	5.000
June	11, 1934	4.625	April	15, 1935	5.125
June	18, 1934	4.500	April	22, 1935	5.250
June	25, 1934	4.500	April	29, 1935	5.250
July	2, 1934	4.500	May	6, 1935	5.250
July	9, 1934	4.250	May	13, 1935	5.250
July	16, 1934	4.625	May	20, 1935	5.375
July	23, 1934	4.500	May	27, 1935	5.500
July	30, 1934	4.750	June	3, 1935	5.625
August	6, 1934	4.750	June	10, 1935	5.625
August	13, 1934	4.750	June	17, 1935	5.625
August	20, 1934	4.750	June	24, 1935	5.625
August	27, 1934	4.625	July	1, 1935	5.625
September	4, 1934	4.625	July	8, 1935	5.625
September	10, 1934	4.625	July	15, 1935	5.625
September	17, 1934	4.625	July	22, 1935	5.625
September	24, 1934	4.625	July	29, 1935	5.625
October	1, 1934	4.625	August	5, 1935	5.625
October	8, 1934	4.875	August	12, 1935	5.625
October	15, 1934	4.125	August	19, 1935	5.625
October	22, 1934	4.125	August	26, 1935	5.625
October	29, 1934	4.125	September	3, 1935	5.625

5250

September	9, 1935	5.625¢	May	4, 1936	6.000¢
September	16, 1935	5.625	May	11, 1936	6.000
September	23, 1935	5.625	May	18, 1936	6.000
September	30, 1935	5.625	May	25, 1936	6.000
October	7, 1935	5.625	June	1, 1936	6.000
October	14, 1935	5.625	June	8, 1936	6.000
October	21, 1935	5.625	June	15, 1936	6.000
October	28, 1935	5.625	June	22, 1936	6.000
November	4, 1935	5.625	June	29, 1936	6.000
November	11, 1935	5.625	July	6, 1936	6.000
November	18, 1935	5.625	July	13, 1936	6.000
November	25, 1935	5.625	July	20, 1936	6.000
December	2, 1935	5.625	July	27, 1936	6.000
December	9, 1935	5.625	August	3, 1936	6.000
December	16, 1935	5.625	August	10, 1936	6.000
December	23, 1935	5.625	August	17, 1936	6.000
December	30, 1935	5.625	August	24, 1936	5.875
January	6, 1936	5.625	August	31, 1936	5.625
January	13, 1936	6.125	September	8, 1936	5.625
January	20, 1936	6.125	September	14, 1936	5.500
January	27, 1936	6.125	September	21, 1936	5.500
February	3, 1936	6.125	September	28, 1936	5.500
February	10, 1936	6.125	October	5, 1936	5.500
February	17, 1936	6.125	October	12, 1936	5.625
February	24, 1936	6.125	October	19, 1936	5.625
March	2, 1936	5.875	October	26, 1936	5.625
March	9, 1936	6.000	November	2, 1936	5.625
March	16, 1936	6.000	November	9, 1936	5.625
March	23, 1936	6.000	November	16, 1936	5.750
March	30, 1936	6.000	November	23, 1936	5.750
April	6, 1936	6.000	November	30, 1936	5.750
April	13, 1936	6.000	December	7, 1936	5.750
April	20, 1936	6.000	December	14, 1936	5.750
April	27, 1936	6.000	December	21, 1936	5.750

Note: 60-64 Octane January 1, 1934 to August 6, 1934
63-70 Octane August 6, 1934 to April 15, 1936
68-70 Octane April 15, 1936 to December 21, 1936